

A Work Project presented as part of the requirements for the Award of a Master's Degree in
Management from the NOVA School of Business and Economics.

A CONCEPTUAL MODEL TO APPROACH
THE SCALING PROCESS OF SOCIAL ENTERPRISES
– THE CASE OF *COZINHA COM ALMA* –

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ABSTRACT

The positive results of the past two years and the strong desire to expand social impact led the co-founders of the social takeaway *Cozinha com Alma* (CcA) to start planning the organization's scaling strategy. Considering the complexities and challenges of the social enterprises' scaling process, this Work Project aims to approach the scaling process of CcA by creating a conceptual model to guide social organizations this strategic decision-process. This theoretical framework was then applied and tested to CcA's current scaling issue in order to assess the organization's business model and readiness to expand with the purpose to define the most promising growing path.

Key Words: Social Enterprise, Scaling Process, Scaling Strategies, Social Impact

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I. INTRODUCTION

Cozinha com Alma (CcA) is a social project that was launched two years ago in Cascais, Portugal, aiming to address the needs of the middle class segment that is facing the reality of an emerging poverty, often referred to as the *Ashamed Poverty*¹. The *Ashamed Poverty* is a consequence of the collateral effects of the economic crisis that has settled in Portugal, such as the rise of unemployment rates and heavy tax obligations². Becoming aware of this social issue, Cristina de Botton and Joana Castella decided to create CcA: a take-away restaurant open to the general public whose entire profits are applied to subsidize price-reduced meals to a beneficiary target. The mission of this organization is to offer support to individuals who are experiencing temporary financial difficulties by assisting them in overcoming their situation. The goals of CcA are carried out by enabling access to complete nutritive meals as well as by empowering economic and emotional stability through a monitoring program.

Although CcA has only been operating for two years, the organization has already given evidences of efficacy³. At the end of 2012, the take-away had sold more than 40.000 meals which generated a volume of business of almost 170.000€ and has subsidized daily meals for fifty beneficiaries. In October 2013, in comparison to the same month of the previous year, CcA increased the total sales by 44% and the meals sold by 73%. The organization has already reached its breakeven and has doubled the number of beneficiaries to one hundred⁴. Currently, CcA is selling an average of 100 price-reduced meals to its beneficiaries and 150 meals to the general public daily and as Cristina de Botton stated “*the kitchen begins to be tight for so many people and so much food*”⁵. The organization has almost reached its full production capacity⁶ due to both the physical constraints of infrastructures and limited resources (money, space, equipment, volunteers, etc.). This capacity’s bottleneck is restraining the organizations’ ability to respond to both the increasing demand from general public and requests of beneficiary families. It is also creating inefficiencies in CcA’s internal

¹ See **Appendix 1.1**: The *Ashamed Poverty* – Context and Evolution

² In *Economico*, “Crise isola ricos e empurra classe média para baixo” http://economico.sapo.pt/noticias/crise-isola-ricos-e-empurra-classe-media-para-baixo_154311.html (accessed 10 Oct 2013)

³ Conclusion of an assessment made by the *General Director* of a reputable take away in Lisbon (See **Appendix 1.2**)

⁴ See **Appendix 1.3**: CcA’s Results Evolution

⁵ Excerpt of an interview to CcA’s co-founders, cited in *jornal i*

<http://www.ionline.pt/artigos/dinheiro/cozinha-alma-negocio-os-ingredientes-certos>

⁶ In the current year, the organization had already extended the working hours at the Kitchen through creating another shift of work, but it is now running out of other similar options due to the lack of storage space and resources.

processes' and activities. This way, the co-founders have been struggling to find solutions to expand the organization's business activity, once they believe that CcA's business model can increase its positive impact by reaching a broader social and general audience. In fact, despite the identified bottleneck is hindering the ability to achieve this strategic objective, the organization must still be evaluated to analyze if it contains the necessary support and capabilities to expand and also to determine the most adequate and efficient growing path.

Finding the most appropriate pathway to achieve a higher social impact is a recurring challenge of social sector's organizations. It is difficult for such organizations to build a consistent and efficient scaling strategy due to both the lack of knowledge of what is required to scale and its inability to access the required resources for scaling (Massarsky et al., 2013). Therefore, this project aims to contribute to further research of the scaling processes by using the existent knowledge about this topic to practically approach a real organization's challenge. Hence, the objective is to create a specific decision-making framework for the scaling process of social organizations and to apply it to the CcA's current scaling issue in order to understand if the organization is ready to expand its business model and define the growing strategy that best fits its mission and objectives.

II. LITERATURE REVIEW

As the objective of this Work Project is to approach the current scaling problem of CcA, the following contents were considered for theoretical research: *social enterprises* due to the nature of the CcA's business; and the *scaling process* within the social sector as it supports the purpose of this work. Therefore, this literature review begins by clarifying the concept of social enterprises in order to understand the main characteristics of this type of organizations and the potential benefits and challenges regarding its scaling process. Thereafter, a review of the scaling processes and strategies will take place aiming to have an overview of the scaling process's stages that are relevant to assess, define and implement a scaling strategy

*Social Enterprises*⁷

Whereas just over a decade ago the concept of “social enterprise” was rarely discussed, it is now difficult for authors to reach a consensus about its meaning (Defourny & Nyssen, 2010). In fact, despite the vast array of meanings assigned to this topic throughout the last decade, there still remains a lack of a solid and consistent definition (Giulia & Borzaga, 2009). However, in order to approach the concept of social enterprise, a reputable definition provided by the British Government in 2004 should be highlighted: *“a social enterprise is a business with primarily social objectives, whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profits for shareholders”*⁸. This definition offers the idea that the hybrid nature of social enterprises is composed by a balance between pursuing social objectives and financial viability (Lyon & Fernandez, 2012). However, social enterprises can be highly differentiated depending on the need of their target population, their program, and financial objectives. In fact, *“a social enterprise may use the revenue it generates to reduce the need for external donor dollars to cover program costs, or as a mean to cross-subsidize other social programs”*⁹. However, on the opposite of for-profit business where customers usually can pay for its services, when a nonprofit find a way to create value for a beneficiary target, most of the time it does not match its ability to pay (Foster, Kim & Christiansen, 2009).

To accomplish their social mission, most social enterprises strive to maximize their social impact¹⁰ by scaling their business model (Weber et al. 2012). They do so to achieve a meaningful impact on the problem they are addressing and because their donors and supporters are “eager” to achieve high social returns on their investments (Bloom & Smith, 2009). In fact, investors can even pressure social enterprises to increase its financial performance, which can detract organizations and drive them off its mission (Starr, 2012).

⁷ One of the points of divergence between the European and American’s approaches to the concept of Social Enterprises is related to its legal form (See **Appendix 2.1**). For the purpose of this Work Project it will be considered a broad perspective of the concept which assumes that “any kind of organization or undertaking engaged in activities of significant social value, or in the production of goods and services with an embedded social purpose, regardless of legal form, can be considered as a social enterprise.” (Defourny & Nyssens, 2010)

⁸ Department of Trade and Industry. 2002. “Social Enterprise: A Strategy for Success”, p7

⁹ Sutia Kim Alter. 2000. “Business Planning for Social Enterprises” in *Managing the Double Bottom Line: a business planning reference guide for social enterprises*, Chapter 1, p15, San Francisco: Creative Commons

¹⁰ According to Everis Consulting (2012), social impact defined by “the change caused by activities performed by an organization, program or initiative in the welfare of individuals or communities”

Beyond the organization's philanthropic need of increasing social impact and serve more people, there are also other efficiency-related triggers for social organizations to pursue scaling strategies, such as achieving economies of scale or scope and diversifying risk or sources of revenues (Massarsky & Gillespie, 2013). Once more, these “dual-focus” reflects the tension that organizations face between its financial and social objectives.

As discussed, scaling is a relevant issue for social enterprises. However, even the most effective mission-driven organizations face the daunting challenge of a successful scaling of social impact. In fact, most have remained small in proportion to the social problem that they work to improve (Clark et al., 2012). This happens because of two main aspects: the lack of knowledge about what it takes to implement a scaling process and its inability to access the required resources for scaling – financial, human and social capital (Bloom & Chatterji, 2009; Massarsky et al., 2013). Although these facts are interdependent, the latter is critical, because only a (financially) sustainable business model will ultimately survive to a scaling initiative. (Weber et. Al., 2012)

The Scaling Process in the Social Sector

Scaling issues within the social sector are particularly difficult areas to research due to the multiplicity of types of scaling options and the widely varying conditions and determinants (Creech, 2009). The concept of scaling usually refers to taking a tested concept, pilot project, specific program, initiative or the whole enterprise and expanding it, not only in terms of people served and revenues generated, but also through local capacity building, network development, or cooperation strengthening (Weber et al, 2012; Clark et al., 2012). The process of scaling includes diverse meanings, from *what* is intended to be scaled – if an organization, a program or an initiative (Dees et al. 2002) – to *how* to scale it, as the scaling strategy can be more focused on improving internal processes (Bloom et al, 2009; Gillespie, 2004) or on spreading out a tested concept (Dees et al, 2002; Bradach, 2003). These multiple options show how scaling processes can be very complex, once there are factors that influence each other, meaning that different decisions along the process can lead to diverse growing paths. (Weber et al., 2012).

The literature review presents different perspectives about the scaling process of a social enterprise, each one with diverse success factors, key drivers and stages of the process. Although the authors

presented different scaling models¹¹, it is important to refer that there are some commonalities among the stages of analysis, mainly related to the need to assess the organization's business model and to test its readiness to scale (Bradach, 2003; Dees et al. 2002; Bloom et al, 2009; Clark et al. 2012). Despite the existence of diverse internal and external factors that can influence the scaling process, these two steps are identified by the authors as critical to build an adequate growing strategy. By adequate we mean being consistent with the organization's mission, capabilities, and available resources, once this match is essential to successfully scaling social impact¹² (Uvin et al., 2000; Weber et al. 2012; Lyon & Fernandez, 2012). Finally, it is important to point out that there are some inconsistencies within the literature review about the different scaling strategies; specifically, that the authors use different terminologies. For the purpose of this Work Project, the research was focused on the different strategies related to the two main scaling concepts: *scaling up* – “*using successful small-scale projects as a basis for effecting large-scale changes*”¹³ – and *scaling deep* – “*increase social impact in your home community*”¹⁴. *Scaling up* strategies are more focused in creating new service sites in other geographic locations and can range from increasing organizational strengths to growth beyond the organization's boundaries (Lyon & Fernandez, 2012; Kalafatas, n.d). Is it widely common to mix up the terms *scale up* and *replication* (oftentimes referred to as “scaling out”), therefore, we found relevant clarifying the latter, which refers to transferring and repeating a tested initiative in a different location (Creech, 2009). *Scaling deep* is related to strategies more focused on organization's local activity and can vary from increasing the quantity and/or quality of impact, diversify communities served or diversify services offered (Kalafatas, n.d.).

Conclusions from Literature Review The literature review revealed many challenges and unanswered issues around the scaling process of social enterprises. First, since there are multiple types of social enterprises that are influenced by particular internal and external factors, it is difficult to create a set of general standards and “best practices” of how to approach scaling in this type of organizations. Also, their hybrid nature (financial and social) raises many challenges when it comes

¹¹ See Appendix 2.2: Examples of Different Scaling Models

¹² Scaling Social Impact is “The process of increasing positive social impact to better correspond to the magnitude of the identified social need.” (Kalafatas, n.d)

¹³ Kohl, n.d.

¹⁴ Dees et al. 2002

to identify the relevant triggers for scale, once the potential financial benefits of scaling cannot detract the organization from its ultimately objective: increasing social impact.

It was also identified in the literature review a lack of a systematic and general accepted tool that defines clearly the stages of a scaling process of an organization. The information is still fragmented and dispersed, once there are multiple studies that only approach part of the organizations' scaling process or particular issues of specific industries. Additionally, there are many approaches to scaling up strategies (within and beyond the organizations' boundaries) that are driven by different resources and capabilities, however it is still unclear what are the key elements to establish the interconnection between this two variables. Social organizations face multiple decisions along the scaling process and are influenced by particular external and internal factors. Therefore it is critical for them to be guided by simple, clear and structured guidelines along the process of scaling. Especially because, ultimately, it is the organization's leaders and board that make the strategic and management decisions that foster successful scaling. Because of that, they play a central role in the decision whether to scale, what to scale and how to scale (LaFrance, Lee, Gree, Kvantermik and Robinson, 2006).

Overall, based on all the existing research and taking into account the gaps found in the literature review, this Work Project aims to propose a new conceptual model aiming to enrich and consolidate the scaling's research field in the social sector by providing a practical tool of analysis that can support social enterprises to approach their process of scaling. Hence, a framework will be built and tested based on the following assumptions: (1) it is possible to define the scaling process as a set of interdependent steps (interconnecting the organization's business model and its ecosystem with possible scaling strategies); (2) the scaling strategy definition is built based on a decision-making process by the social enterprise's leaders; (3) scaling is dynamic process between the organization's business model, its ecosystem and strategy; (4) social enterprises pursue a range of growing strategies among *scaling up* and *scaling deep* options.

III. METHODOLOGY ANALYSIS

Taking into account the conclusions from the literature review, in this Work Project we aim to build a conceptual model to approach the scaling process of social organizations and to test it through the practical scaling issue of CcA. Therefore, the first step of the methodology analysis was to build the

theoretical framework tool. This process was undergone by using the support of literature research, in addition to approaching other organizations' real-world cases in order to balance conceptual and empirical knowledge and build a useful and realist matrix of analysis.

After creating this new framework tool for the scaling process of social organizations, the model was applied to the real case of CcA with the purpose of testing the framework's assumptions and viability. The implementation of the framework tool on the scaling process of CcA was conducted in a close contact with the organization through a set of different interactions¹⁵ based on three main resources that were considered critical to implement the conceptual model: (1) collecting strategic inputs from the organization's co-founders and decision board; (2) getting in touch with the organization's internal processes through field work and contact; (3) having access to relevant data of the organization (financials, sales' statistics, internal presentations, among others) All these elements were essential to make a realistic assessment of the organization's business model and its performance, and also to develop a sense of intrinsic knowledge about its functioning.

Finally, after the implementation of this conceptual model it was elaborated a summary with a set of conclusions taken from this real organization's test that can add value to the scaling process's research.

IV. A CONCEPTUAL MODEL TO APPROACH THE SOCIAL SCALING PROCESS¹⁶

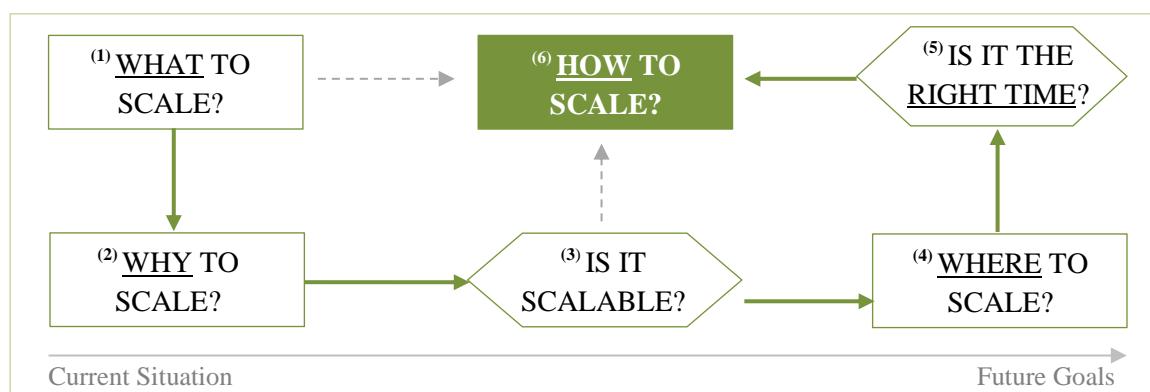
Taking into account the findings and gaps of the literature review, the drivers for the conception of this new framework tool were the following: (a) to create a practical and useful tool for social enterprises; (b) to guide the organizations throughout the relevant stages and decisions of the scaling process; (c) to identify the key steps and drivers for the scaling strategy definition; (d) to support social organizations in the definition of their most promising path to grow. Hence, the framework was designed as a structured decision-making process, based on key questions, whose organizations' answers will allow building a consistent growing path. Once this model aims to be adaptable to each type of social organization, it approaches a scaling imitative assuming a vast range of possibilities and decisions, from the conceptual form of what is intended to scale to the different scaling options that an

¹⁵ See Appendix 3: Contacts with CcA and Expected Outputs for the analysis' process

¹⁶ See Appendix 4.1: Conceptual Model to Approach the Scaling Process of Social Enterprises

organization has among *scaling up* and *scaling deep* strategies. This model approaches the scaling process through a strategic perspective, so the organizations can have the orientation and guidelines they need to build an operational scaling strategy.

The literature review led to the finding that “*when we take something to scale, we need to start with a clear sense of what is being scaled, why it is being scaled, how the process will work, and what it should look like in the end.*”¹⁷. These four key questions – what, why, where and how to scale – were defined as the support pillars of the conceptual model. In addition to that, and taking into account the literature inputs¹⁸, two intermediate “steps of analysis” were added, aiming to analyze the organizations’ business model and its readiness to scale, to better articulate the different stages and consolidate scaling process. Thus, it was designed a conceptual model of the scaling process of social organizations with a total of six-stages, chained as in the map bellow. The conceptual model assesses different organizational dimensions, from its current situation to its future goal. Also, as it is a decision-making process based on a set of interdependent steps, in the last phase of the process – *how to scale* – a matrix of analysis was created so that the organization can match all the relevant variables and decision to identify the most promising growing path.



Conceptual Model to Approach the Scaling Process of Social Enterprises – See Appendix A

As previously referred, the objective of this framework is to orient and support the organization in the construction of a consistent growing path by questioning key aspects along the scaling process. Hence, in each of the six stages, there are more specific questions¹⁹ with the purpose of guiding the organization to an expected output that will create the bridge to the next stage. By answering these

¹⁷ GEO. 2011. “Topic 1: What Do We Mean by Scale?”, *Scaling What Works*, Grantmakers for Effective Organizations

¹⁸ The Conceptual Model was built based on inputs from the following papers: Dees (2002), Bradach (2003), Santos (2009), Kalafatas (n.d), Weber (2012), Bloom (2010).

¹⁹ See Appendix 4.2: Conceptual Model - Questions and Expected Outputs

key questions, the organization will be able to build the adequate strategy to grow and increase its social impact. According to the characteristics and maturity of the considered scaling initiative, the organization might need to go deepest in some stages than others; however, it is required that all of the steps are passed through.

V. COZINHA COM ALMA – BRIEF OVERVIEW OF THE ORGANIZATION

Before approaching the scaling decision process of the organization we should first get in touch with its current situation. Therefore, in this section we'll make an overview of the CcA's business model by resorting to an adaptation of the Canvas Framework.²⁰

CcA is a social enterprise²¹, launched in February of 2012 in Cascais, by two co-founders: Cristina de Botton and Joana Castella. . The two friends, both from Cascais, had started to plan to put in practice a social initiative some years before, but never took seriously the idea. As they had become aware of the increasing cases of *Ashamed Poverty*, they found the trigger to initiate a food business that could be a response²² to a specific problem that these families were passing through: hunger²³. The CcA's social initiative was designed to be a six months program that includes the daily access to price-reduced meals and also the participation on a monitoring and training program, which aims to empower families' capabilities and provide tools to overcome their financial situation. As the co-founders explained *"the purpose of the project was to work as an «oxygen balloon» that gives the families the opportunity to reorganize their life, restore their dignity and overcome their financial situation"*²⁴. The selection process²⁵ of the beneficiary families is conducted by the Social Committee of the Parish Council and then CcA classifies the approved families in three different prices echelons²⁶ according to their financial situation²⁷.

²⁰ The *Canvas Business Model* is a strategic management and entrepreneurial tool proposed by Osterwalder (2004). Taking into account the specificities of social enterprises two more dimensions were added to the original framework: *the organization's funding model* and *the intended social impact*. (See **Appendix 5.1**)

²¹ Legally named in the Portuguese Law as *Instituição Particular de Solidariedade Social* (IPSS) according to the Co-operative Code (Law n° 113/83 of 25 February)

²² See **Appendix 5.2**: The value proposition of CcA

²³ Estanque, 2012

²⁴ Excerpt of an interview to CcA's co-founders, cited in *jornal i* <http://www.ionline.pt/artigos/dinheiro/cozinha-alma-negocio-os-ingredientes-certos> (accessed Sep 12, 2013)

²⁵ See **Appendix 5.3**: The Selection Process of CcA's Beneficiary Families

²⁶ These echelons will determine the price that each family will pay for their meals. Each echelon - 1, 2 or 3 - corresponds to different average prices per complete meal 0,5€, 1€ or 1,5€

²⁷ The degree of "financial complexity" of each family is measured by its *income per capita*, which correspond to one of the echelons of CcA (See **Appendix 5.4**)

*CcA's strategy: "the take-away for everybody"*²⁸. To support its social purpose, CcA is focused on developing a successful take-away business strategy. In fact, the organization wants to be the first choice of its general public clients not just because "it helps people" but also because it excels in both products' quality and service. By effectively attracting and retaining both its traditional and social clients, CcA assures its financial viability and the sustainability of the organization's mission. This customers-oriented strategy led the organization to invest in specific marketing and communication elements²⁹, such as having a cozy store environment, a personalized packing and the creation of CcA's pre-charged card, which do not allow distinguishing the different clients and assures the beneficiaries' anonymity³⁰.

The Funding Model. The co-founders describe CcA as "*a social business, not just a social response*"³¹, which reflects their commitment to the organization's financial viability³². CcA operational funding model was built based on the Cross-Subsidization³³ financial mechanism, with the purpose of making products available for a beneficiary target, that otherwise could not access them in normal market conditions. To accomplish that, the organization has made a "study of economic viability"³⁴, that showed that was possible to create a reasonable ratio between the revenues generated on the sales to general public and the total operational costs that the organization needed to cover (which include the meals' production costs and the cost "lost" of selling meals to beneficiaries below its production costs). Aiming to optimize its financial model, the organization also uses other ways to reduce its operational costs by, for example, creating partnerships. In fact, one of the key factors of cost saving came from different partners came from its different partners especially from its social suppliers – that allow accessing specific raw materials at a reduced or free cost – and with a partnership with Cascais' City Hall, which ceded the store and kitchen's facilities without charging for rent. Furthermore, the network of sixty volunteers (80% of the team workforce) that works on the organization also allows saving a large portion of production costs. Therefore, this

²⁸ CcA's slogan, cited in the *Institutional Presentation of CcA* (provided by Cristina de Botton)

²⁹ See **Appendix 5.5**: CcA's Marking Elements (Store; CcA's Packaging; CcA's Clients Card)

³⁰ CcA wants to respect the shame of the families and so assuring the privacy of their identity it's a priority. <http://www.ionline.pt/artigos/dinheiro/cozinha-alma-negocio-os-ingredientes-certos> (accessed Sep 10, 2013)

³¹ Quote taken from the *Institutional Presentation of CcA* (provided by Cristina de Botton)

³² A **financially viable** social enterprise would be one that is able to secure the necessary funds through regular, unsubsidized financial channels and no longer requires subsidies. (Sutia Kim Alter, 2000) *Chapter 1, p17*

³³ **Cross-Subsidization** - oftentimes referred to as "Robin Hood" model - is a funding mechanism that consists in charging higher prices to one group of consumers (the "rich") in order to subsidize the lower prices for another group (the "poor").

³⁴ See **Appendix 5.6**: CcA's Viability Study

cost structure is critical for the sustainability of the business model, as the CcA's prices are accessible to general clients whilst generating a surplus that is used to subsidize meals.

CcA's Clients: Dual Market Segmentation. The business model of CcA aims to reach two clients' segments: the general public and the beneficiary families. In spite of the differences between the targets' profile³⁵, inside CcA store both are treated equally. The only difference is the price per the meals³⁶ and the available plafond³⁷ on their CcA's Client Card. The fact that CcA's viability depends on attracting general public sales implies that the organization has to face competition from other local takeaway businesses. This way, to define its positioning on the takeaway market, CcA took advantage of its "special" cost structure³⁸ and key cost savers (specially the volunteers' work) to be able to sell meals at a lower price than its direct competitors³⁹ and maintaining a similar level of product's quality (assured by CcA's Chefs). Although CcA cost advantages would allow selling meals at an even lower cost than competitors, the organization has not this strategic intent. On one hand, to avoid dependence on the cost advantages from its social suppliers partnerships, and on the other because co-founders believe that to reach its general public's target profile, CcA needs to positioning itself as a takeaway that strives for quality.

The CcA's ecosystem⁴⁰. Being a *network-based organization*⁴¹ is one of the key advantages of CcA, since the close relationships established with its stakeholders⁴² are being critical to its mission accomplishment. In fact, there are specific characteristics⁴³ of the Cascais' ecosystem that are being critical for the success of CcA's business model, such as the presence of both social and traditional demand, the City Hall openness to social innovation and entrepreneurship initiatives and considerable segment of the population enjoying a high standard of living.⁴⁴ These key contextual factors will have to be taken into account in the scaling up decision process.

³⁵ See Appendix 5.7: CcA's Customers Profile Description

³⁶ See Appendix 5.8: Example of a CcA's Weekly Menu

³⁷ This plafond is calculated according to the household size and the echelon of the family. Example: a family with 5 persons, that belongs to echelon 3, has a maximum plafond of 202,5€=5x1,5€x 27 (Sundays are not included)

³⁸ See Appendix 5.9: CcA's Cost Structure

³⁹ Which are *Bom Appetite* (<http://www.scmc.pt/gca/?id=62>) and *José Avillez* (<http://www.joseavillez.pt/>)

⁴⁰ *Ecosystem* is the broad environment where CcA operates (players and environment conditions – cultural, political, etc.)

⁴¹ See Appendix 5.10: CcA's Network of Partners

⁴² A *Stakeholder* is anybody who can affect or is affected by the CcA's activity (See Appendix 5.11)

⁴³ See Appendix 5.12: Mapping CcA Ecosystem – Ecosystem Framework

⁴⁴ In Cascais, there's a social/cultural phenomenon named "Tias de Cascais" that characterizes a type of women that have high standards of living, enjoy the status quo and don't have a full-time job. This concept is cited in different magazines (eg: *Visão* <http://visao.sapo.pt/tu-ca-tu-la=f700573>) and books (eg: *Absolutamente Tias*, 2003. Ana Bola)

VI. APPLYING THE CONCEPTUAL MODEL TO CCA

1. What to Scale? The first step of the scaling process is to clarify exactly what is worth to scale (GEO, 2011). To do so, it is important to identify an “*unmet or poorly met need elsewhere*”⁴⁵ and to assess the organization’s *Theory of Change*⁴⁶ in order to define what is valuable to scale – in terms of “form” and “specificities”⁴⁷ (Dees et al., 2002).

The need for scaling. CcA is focused on fighting the *Ashamed Poverty*, whose dimension has a national scale, with higher incidence in specific urban locations of the country.⁴⁸ Due to the current economic conjecture, both in Cascais as in other councils, there have been an increasing of requests for support from this type of families.⁴⁹ In fact, the dimension of the *Ashamed Poverty* is gaining significance and there is still a lack of social institutions tailored to fight the consequences of this social and economic problem⁵⁰. Both factors create an opportunity to expand CcA’s activity, adding value for the society. However, besides the proofs of efficacy given by the pilot CcA in Cascais, the interconnection and dependence that the organization has with its specific context might not work in other places. For this reason, a careful assessment of the key elements of the CcA’s business model and environment will be needed along this scaling process.

The CcA’s worth for scaling. The CcA’s *Theory of Change* is to help people to overcome their temporary financial situation by providing access to healthy meals and by empowering their personal capacities through counseling and monitoring. The strength of the organization’s theory of change is based on its viable “robin hood business model”⁵¹ but also in its identity - and “soul” - as a whole organization. In fact, the concept of CcA is supported by a combination of specific “ingredients” that are being critical to its efficacy and acceptance by (both) market segments. From the charisma and influence of their leaders to the combination of network-building and marketing elements, the organization has created an efficient “recipe” to address the *Ashamed Poverty* problem in an effective way. CcA has only almost two years of activity but has already given proofs of efficacy and

⁴⁵ Dees et al. 2002

⁴⁶ According to Bradach (2003), *Theory of Change* is defined as the most important elements of the programs’ content and structure that lead an organization to its desired outcomes

⁴⁷ The concept “form” aims to define what is intended to scale - if an organization, program, concept, principle, etc. - and the “specificities” are the core elements of the respective chosen “form”. (Dees et al, 2002)

⁴⁸ Namely in Lisboa, Cascais, Oeiras, Coimbra e Porto, as a market study from the company Marktest states in <http://www.marktest.com/wap/a/n/id~d4.aspx>. (accessed Oct 10, 2013)

⁴⁹ Different institutions (Parishes, Schools and Organizations) are reporting more and more cases (Estanque, 2012)

⁵⁰ Estanque, 2012

⁵¹ The Cross-Subsidization funding model is commonly called the Robbin Hood Model, as the rich are supporting the poor. <http://www.ebplab.com/cross-subsidy-models/> (accessed 20 Dec)

efficiency through its positive net operational results⁵². Additionally, the organization has been able to generate social impact by achieving a *Social Return On Investment*⁵³ of 1€ : 4,7€.

The form and specificity to scale. There are different options of “forms” that CcA could chose to scale: the cross-subsidization model, the social take-away concept, the CcA’s brand, etc. However, as the robustness of CcA’s theory of change is very dependent on its identity as whole organization and taking into account the potential benefits from scaling its (proved) social impact, the “form” chosen to be scaled was “the organization”. Additionally, to approach the “specificities” for scaling, we had to analyze the core elements and resources of CcA’s business model.

Key Success Factors	Key Elements	Key Resources
<ol style="list-style-type: none"> 1. Price-to-quality relationship 2. The service and products’ quality 3. Organization’s Credibility 4. Beneficiary target’s stealth; 5. Strong brand identity 	<ul style="list-style-type: none"> – Passionate and voluntary co-founders/promoters of the project. – Cost Structure: low fixed costs and volunteers reliability; – Professional Management – Chef’s quality guarantee – Transparency (in accountability, communication, etc.) – Clear mission and effective communication(credible image, identity); – Interaction of both types of clients in the same place – same service and treatment; – The store environment – Beneficiaries’ Monitoring Program – Unbiased Selection Process – The CcA’s service – Working in network with different entities: diverse partnerships/agreements – The organization’s “soul”⁵⁴ 	<ul style="list-style-type: none"> – High Pool of Volunteers – Facilities (store and kitchen) ceding – Not having rent costs – Partnership with the Cascais City Hall and local parish councils – Partnerships with Social Suppliers – The Charismatic leadership of the co-founders – The co-founders network and influence within the local council – A reputable Chef – Skilled staff (to manage a takeaway business) – Kitchen facilities and equipment – Storage equipment – Both social and traditional demand – Commitment and passion of the workforce – The Clients Card mechanism

List of CcA Key Success Factors, Elements and Resources

The diverse ingredients of CcA’s recipe reflect the high degree of specificity of the organization’s business model. CcA is supported by many kinds of resources, including contextual-dependent and intangible ones, whose degree of specificity have a higher influence in the scaling strategy definition. Among the key elements we highlight the CcA’s “soul” – which is a very subjective variable pointed by the co-founders – once it is the thing that CcA is more afraid of losing along its scaling process.

⁵² See Appendix 5.13: CcA’s Income Statement 2013

⁵³ Everis Consulting has conducted an analysis to compute the amount of social impact created by CcA in which concluded that the organization can generate 4,7€ of social benefits per 1€ of social investments. The company has used the *Social Return On Investment* method (SROI), which makes a comparative ratio between the monetary value of the social benefits with the investment made.

⁵⁴ When asked about the success of CcA, Cristina de Botton affirm that “the secret of the business is its soul” - Excerpt from an unstructured conversation with Cristina de Botton in one of the weekly meetings with the co-founder of CcA

2. Why to Scale? Having identified the key components of the CcA's business model, the next step is to identify the internal and external triggers that are leading the organization to scale, so we can create a solid bottom line to point a direction to "where to scale". Thus, it is important to access why the organization is planning to scale in order to align these motivators with the final purpose of this scaling process, which is increasing social impact. (Lyon & Fernandez, 2012)

The CcA's triggers for scaling. The most evident trigger that led CcA to start thinking about scaling is the kitchen's physical constraint that is limiting the organization's production capacity. After the creation of an additional shift of work one year ago, CcA ran out of solutions to respond to the increasing demand and start planning more seriously its business expansion. The current constraint is blocking CcA of capturing more revenues from the general public and from accepting more beneficiaries. It is also creating internal problems and inefficiencies such as the inability to comply the HACCP⁵⁵ norms and the impossibility to achieve more economies of scale. Additionally to these internal reasons, CcA is also receiving external pressures to grow from its investors and social partners - once they want to monetize their investments - and also from the City Hall of Cascais, which is interested to provide more solutions for the increasing requests for support. In addition, the fact that the co-founders had already been contacted by persons that showed interest in opening a new CcA in their councils is also pressuring the organization to plan its growing strategy faster.

Maximizing Social Impact. Although organizations can have different reasons to pursue scale, the ultimate goal of their scaling strategy need to be aligned with achieving higher social impact (Lyon & Fernandez, 2012). Therefore, the organizations should be able to prioritize its different scaling motivators according to what better contributes for the maximization of organization's social impact. This is an important factor in the scaling process of social enterprises as they need to assure the right balance between pursuing social and financial objectives in order to stay focused on their mission. Although, CcA is being highly motivated to scale by financial related motives – such as increasing general public revenues and optimizing the model through creating economies of scale –, the organization is still aligned with its social purpose. In fact, these strategic objectives intent to be intermediary steps to maximize the organization's social impact in the council of Cascais. The

⁵⁵ The acronym HACCP stands for *Hazard Analysis and Critical Control Point*, which is a prevention-based food safety system http://hospitalityguild.com/downloads/HACCP_Guidelines_FDA.pdf (accessed Nov 20, 2013)

objective of CcA is to expand impact through “better helping” and “helping more” people, meaning that the organization wants not only to serve more meals but also to improve its program of counseling and monitoring by creating new partnerships and establishing metrics to evaluate their impact in families’ life. However, to accomplish that, CcA will need to put in practice some organizational improvements (for instance, integrate a new paid member on the team) that are depending on the organization’s capacity to make some internal investments, which is still weak and insufficient. Therefore, we can conclude that, at this time, the prior motivations of CcA to expand social impact are (1) to increase the revenues from the general public sales, (2) be able to comply with the HACPP norms and (3) to achieve economies of scale, in order to consolidate the model and efficiently and effectively achieve the organization’s mission.

3. Is it Scalable? After the organization knows clearly “why to scale”, it can start planning “where to scale”. However, before defining its scaling objectives it is first necessary to analyze “how scalable” is the organization’s form and specificity, once assessing the *scalability*⁵⁶ of the organization’s business model is a core determinant of the growth and expansion of social enterprises (Weber et al, 2012). Furthermore, it is important to analyze a particular dimension of the organization’s degree of scalability which is the organization’s *replicability*, since this term is related with scaling strategies more focused on spreading a model geographically, whose dependence on specific contextual factors is higher. To evaluate the two organizational dimensions – *scalability* and *replicability* – we resorted to part of the framework developed in Santos (2009)⁵⁷ and had identified the potential advantages and disadvantages of the organization’s current business model⁵⁸.

The CcA’s Scalability. Along the last two years CcA has been able to respond to an increasing demand through a stable and systematic process of activities, achieving great economic and social results. In fact, the co-founders implemented a solid structure and reliable business process that can benefit from scalability through achieving economies of scale and optimizing the financial model.

⁵⁶ Dees (2008), cited in Weber (2012) defines scalability as “increasing the impact a social-purpose organization produces to better match the magnitude of the social need or problem it seeks to address”

⁵⁷ Which assesses the degree of *scalability* based on the capacity’s bottleneck analysis and the organization’s *replicability* through evaluating its dependence on unique or contextual factors and the level of adaptability and transferability.

⁵⁸ See Appendix 5.14: Assessment of CcA’s Scalability and Replicability

However, the bottleneck analysis allowed identifying some elements of CcA's business process⁵⁹ that may constrain its degree of scalability, such as (1) the infrastructures' physical limitations, (2) the lack of a measurable mechanism to manage quality and (3) the need to assure both markets demand. First, the lack of physical space of CcA current facilities is limiting the production capacity, the storage capacity and the accomplishment of HACCP norms. Second, the lack of quality control standards can compromise on the product's quality if the organization increases its activity. Finally, to justify its scalability, CcA needs to guarantee the existence of both market demands. Although CcA has been increasing its clients' database and the take-away industry had recently registered an increasing aggregate sales volume of 5,4%⁶⁰, the survey⁶¹ made to the general clients has shown that the reasons why people decide to buy at CcA is still highly motivated by the "charity" factor⁶², which can, in the long term, affect the sustainability of the business. Along with assuring clients' demand, the organization has also to guarantee the existence of its "social demand" - which at the time is the *Ashamed Poverty* - but that can be adaptable to other types of beneficiaries, if necessary.

The degree of Replicability. In the CcA's business model there two main issues – related to resources' scarcity and contextual factors – that can mostly constraint the organization's replicability. The first one is related with the organization's dependence on its "human factor", not only due to the high pool of volunteers workers needed but especially because of co-founders' influence, passion and charismatic leadership, which is, in fact, great part of the "soul" element. Secondly, there are some characteristics of the organization's model that are depending on its ecosystem: the interactions of both social and general public in the same place (store), the profile characteristics of volunteers and clients (intimately connected with Cascais lifestyle and culture); and the partners' personal connection and with CcA's co-founders.

These contextual factors are constraining the organization's adaptability, as they can be difficult to replicate in other realities or contexts. Thus, once the organization's ecosystem plays a critical role in the sustainability of the model, CcA will have to carefully analyze a potential future location in order to successfully replicate its business model. The organizations' capacity of adaptation depends on the

⁵⁹ See Appendix 5.15: CcA's Process Mapping

⁶⁰ According to the study "Novo Consumidor Português 2012" developed by the company Kantar Worldpanel - information taken from a conjunct of Portuguese Newspapers' articles <http://www.publico.pt/economia/noticia/takeaway-foi-a-unica-categoria-de-consumo-que-cresceu-entre-2010-e-2011-1531583> (accessed 24 Nov 2013)

⁶¹ See Appendix 5.16: Survey to CcA General Clients – Questions

⁶² See Appendix 5.17: Survey Results – "Reasons to buy at CcA"

level of transferability (of knowledge, processes, resources, etc.) between the social enterprise and a new context. Once CcA has only two years of activity and the growing process is being very fast, there are specific procedures that are not consolidated and that are still dependent on staff's intrinsic know-how⁶³. This happens not just because due to the lack of processes and activities' standardization but also because the organization has an unstructured governance model. This way, CcA can still work to improve its internal processes and stability in order to increase its degree of transferability.

Overall, by analyzing all the pros and cons of CcA's scalability and replicability, we can conclude that the current business model of CcA has a great potential for scalability if the organization is able to overcome its bottlenecks (especially the current physical constraints). However, its replicability can be compromised by the organization's dependence on unique and contextual factors.

4. Where to scale? To chart a growing path, an organization needs to know where it wants to go. For instance, CcA might believe that a new kitchen is needed to expand its capacity, but even if it is true, many questions remain without answer: What should be its size? How much capacity should it have? How many people would work there? To answer this type of questions and trace a growing strategy, organizations have to be clear about their scaling goals. According to the framework *Approaches to Scaling Social Impact*⁶⁴ the spectrum of goals and strategies for creating and scaling social impact ranges from *impact through direct service* to having *impact through indirect influence* (Kalafatas, n.d). Taking into account the characteristics of social enterprises already presented and the focus of this Work Project on scaling up and deep strategies, in the conceptual model we assumed that organizations want to pursue scaling goals through "direct service". Therefore, according to the *Kalafatas Framework*, the "point of arrival" of CcA has to be one (or a combination) of the following goals: (1) Increase the Quantity and/or Quality of Impact; (2) Diversify Communities Served; (3) Diversify Services Offered; (4) Expand Geographically; (5) or Promote the Model. To take this decision, organizations should resort to a strategic tool and in this case we used the SWOT⁶⁵ analysis.

⁶³ For example, the quantities produced are defined according to the sensitivity of the store's responsible

⁶⁴ See Appendix 5.18 – Kalafatas Framework: Approaches to Scaling Social Impact

⁶⁵ SWOT stands for Strengths, Weaknesses, Opportunities, and Threat (See Appendix 5.19)

Different opportunities to scale. At this time, CcA is facing a dual opportunity for scaling that need to be analyzed in different perspectives and timings. On one hand, the organization can increase its social impact locally by helping more people within the Cascais council through capitalizing efforts on the existent structure and expanding production capacity. On another hand, there is an opportunity to scale geographically, in order to address the national scale and dispersion of the *Ashamed Poverty* problem, responding to the increasing interest of other investors and funders to open CcA in new councils (such as Lisbon and Oporto).

Defining a “point of arrival”. When asked about “where to scale”, the co-founders express their desire to take this concept nationally, but at the same time, they are also interested in optimizing the existent model and in maximizing the social impact in Cascais. Confronted with the need to prioritize objectives, at this moment, the co-founders prefer to stay more focused on consolidating the existent structure, taking into account the early maturity of the business and the constant support and incentives that the organization has been receiving from the Cascais’ City Hall. This way, the scaling goals of CcA are *to increase the quantity and quality of its impact* through serving more meals and optimizing the monitoring program and *to diversify the communities served* by giving more priority in the selection process to unemployed persons, once it is proved that the CcA’s program is being more effective and useful for persons in this condition⁶⁶. However, although the CcA’s short term growing plans are more focused on a local scope, the organization does not want forget its expansion to other councils, as its vision is to fight the *Ashamed Poverty* nationally, which makes planning a strategy to spread the organization geographically part of CcA long-term goals.

5. Is it the right time to scale? In order to assess the timing of the scaling initiative that an organization wants to pursue, it is important to understand if the organization has sufficient organizational (and contextual) support and stability to scale (Dees et al, 2002). Within this analysis it will highlighted the role of leadership and governance as they were identified as one of the most critical variables to evaluate readiness to scale (Weber et al, 2012; Lafrance et al, 2006, Thomas,

⁶⁶ One of the conclusions of the SROI Study (Everis Consulting, 2012) was that the social impact of CcA was higher in families that include unemployed persons.

2012). To assess the organization's *readiness to scale* it was applied the Framework SCALERS⁶⁷, which analyzes the interactions of seven organization's internal capabilities and its external ecosystems, determining whether they help or hurt the organization's ability to scale.

CcA's limiting factors. Currently, the governance model of CcA⁶⁸ is constraining CcA scaling opportunities, since the inexistence of second line managers is creating overdependence on the General Manager and is overlapping staff functions. It is also overloading Cristina Botton of "meaningful" tasks, distracting her from more strategic and leadership functions, and consequently affects the organization's effectiveness. In fact, at this moment, the general manager only wants to be involved in the local scaling process, as she feels incapable of assuming the organizations' geographic growth due to her state of tiredness. In addition to that, the fact that some procedures are not clearly defined and "written down" creates more dependence on current staff competences and intrinsic know-how, which can difficult the scaling process. In what concerns the organization's ability to fund scale investments, although CcA has been able to achieve financial sustainability in its operations, the organization would need to call upon to donors and funders to support its scaling investments. Finally, the inexistence of quality control standards and the lack of "manual of procedures" that allow standardizing CcA internal processes will also affect the scaling process.

Opportunities to scale. CcA has also some enabling factors that stimulate its ability to scale. First, the great acceptance by the clients and their satisfaction level⁶⁹ about CcA's products and services shows evidences of efficacy and give perspectives to fulfill more market demand. Also, there is an increasing request for CcA's catering services (from private persons and enterprises), which can be an opportunity to develop the business activity and attract more revenues. In addition, CcA benefits from a high level of credibility and legitimacy (due to its efficient results, proven impact and viable funding model), which can be crucial to approach new partners and to extend the existent ones. In addition, the commitment and involvement of CcA staff contributes to a strong organizational support. In conclusion, there are critical scaling drivers that are limiting the CcA ability to scale, which need to be balanced with the enabling factors, as we will see on the next process's stage.

⁶⁷ Framework developed in Bloom & Smith (2010). The acronym SCALERS for: Staffing, Communications, Alliance building, Lobbying, Earnings generation, Replication, and Stimulating Market Forces. (See Appendix 5.20)

⁶⁸ See Appendix 5.21: CcA's Governance Model

⁶⁹ See Appendix 5.14: Survey Results – "Clients' Frequency" and "Clients' Level of Satisfaction"

6. How to scale? The last phase of the conceptual model intends to connect the information collected along the stages of the scaling process with the different scaling options, aiming to find the most promising growing path for CcA. To do so, it was built a matrix of analysis based on the *5R's Model*⁷⁰, which uses five key dimensions - *returns, risks, receptivity, resources and readiness* - to assess the organization's promising scaling paths. There variables were used to evaluate two possible growing strategies: (1) *Replication through Organizational Branching and/or Affiliation*, and (2) *Expand Organization's Deliver Capacities*⁷¹. Through the analysis that was conducted, each dimension was classified and evaluated though a numerical scale (1 low, 5 for high) according to the advantages it can add to the concerned scaling path. This rating evaluation allowed us to make an objective and quantitative assessment of each potential strategy (*see Appendix B*).

The analysis “scored” and identified *Expanding Organization's Deliver Capacity*⁷² as the most promising path for CcA, namely due to the lower associated risks and to the higher organizational readiness. By growing through its existent structure, CcA will be able to capitalize on its intangible assets - preventing the co-founders' fear of losing the “soul” of its business – and to achieve economies of scale by optimizing the resources utilization. Also, this type of strategy is also more adequate to the early mature state of CcA and might potentiate a stronger consolidation of the business model in order to prepare a future expansion around Portugal. Finally, to efficiently pursue this type of scaling strategy, CcA will have to invest in capacity building, not just through expanding production capacity and enlarging physical space, but especially by strengthening its internal capabilities in terms of governance structure, processes and activities in order to guarantee a stable and reliable “delivering capacity” and efficiently accomplish with its mission

Scaling Challenges and Improvement Suggestions. The analysis developed in this Work Project guided CcA along its scaling decision-process and pointed *expanding through organization's deliver capacity* as the most promising growing path. Supported by these strategic insights, the organization should now be able to build its operational strategy and plan its implementation.

⁷⁰ *5R's Model* is developed in Dees (2002)

⁷¹ These are two main scaling strategies that support the scaling goals developed in *Kalafatas Framework* and selected in the stage 4 (*Where to scale*) of this Work Project

⁷² “*Expanding Org's Delivery Capacities: Making investments within your organization that improve and increase its effectiveness to deliver programmatic performance*” (Kalafatas, n.d)

Although we won't explore this practical dimension of the CcA's scaling process, we highlight here some scaling challenges that CcA might face in the future and based on the assessment conducted, we also propose specific organizational improvements that can potentiate a successful expansion.

The CcA's scaling challenges will be essentially related to the ability of the organization to enlarge the pool of resources (especially financial) and on building internal support and stability to face the impacts of expanding deliver capacity (managerial, logistic, motivational, etc.). We believe that for CcA it won't be difficult to gather the required resources to build a new kitchen taking into account the organization's credibility and the co-founders network and influence. However, considering the conclusions taken from the readiness assessment, CcA should be focused in potentiating its organizational strengths, by putting in practice a set of short-term improvements, such as: (1) restructuring the Governance Model⁷³ and hiring a second line manager (2) creating a "Manual of Procedures" in order to aggregate and standardize the key internal processes and activities (3) establish quality control standards to avoid damages on product's quality and organization's reliability (4) creating a stronger interconnection between operational and supportive areas in order to professionalize management and better justifying the "business decisions".

VII. CONCLUSIONS

Aiming to approach the scaling process of CcA and to fulfil the literature's gaps regarding the social enterprises' growing strategies, in this Work Project it was developed and tested a conceptual model to approach the scaling process of social enterprises. More than focusing the organization's scaling strategy definition, this model approaches the strategic decision-making process through which organizations pass by when defining "how to scale". This analysis contributes to add value to the scaling research field as it proposes a structured and systematic way to interconnect the social enterprise's business model and the ecosystem's specificities with the most promising growing path.

The application of the conceptual model allowed taking out a set of conclusions both related to the complexity of the social enterprises' scaling process and the applicability of the theoretical framework. Therefore, through testing the conceptual model in the scaling process of CcA, it was possible to reach the following conclusions: (1) it is difficult for social organizations to have a long

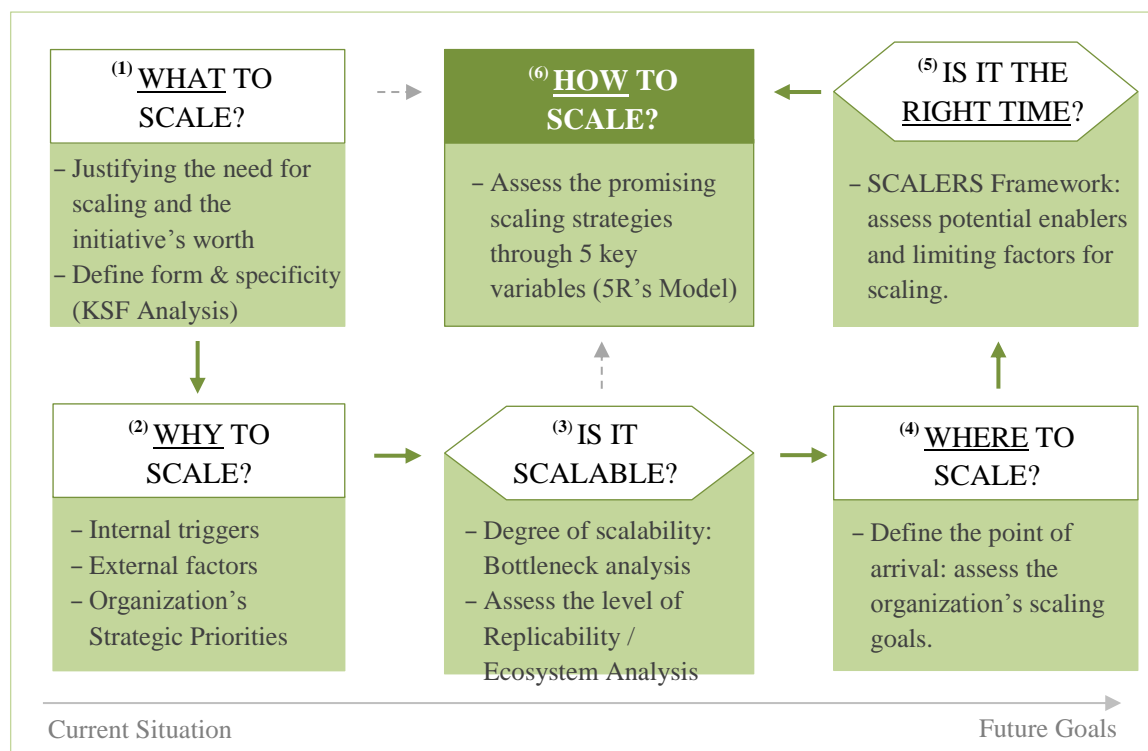
⁷³ See Appendix 5.23: CcA' Governance Model - Proposal

term perspective and to define its strategic objectives. CcA struggled with long term planning due to being immersed in operational activities and in achieving its social mission. Despite having intentions of expanding its activities, this lack of long term planning can compromise a sustainable growth strategy. (2) Although the organization's founders have a crucial role in guiding and developing it, they can find some challenges in what concerns to separate their personal interests and insights - what they want to do - from what is better for the organization and the society. In fact, CcA's founders' engagement and passion about their "own" organization make their decisions more subjective and biased and this can detract the organization from maximizing its social impact. (3) Related to that, there is also a tension in the scaling process regarding the balance between retaining internal property and sharing the organization's best practices in favor of society. For instance, CcA might need to find a better balance between being afraid of losing "its soul" (and identity) and allowing the organization to grow and generate a greater benefit for the society as a whole. (4) One of the main challenges of the scaling process is related with people – the organizations' human factor – since resources are scarce and it is very difficult to replicate persons' characteristics.

In what concerns the model's applicability we reached to the following insights: (1) the interdependence between stages is critical to interconnect the organization's characteristics with its scaling strategy. Therefore, it is important to create not only "bi-directional arrows" between stages to make the conceptual model dynamic and to allow the organizations to rethink and readjust its decisions to become more adaptable. For instance, in the case of CcA it was possible to identify how the chosen specificities to scale influenced directly the degree of scalability and replicability of the organization. (2) It was difficult to define "how ready" the organization is to scale, due to the lack of criteria and because scaling is a dynamic process. (3) Also, it was difficult to measure and compare the potential social impact of each scaling strategy, especially when it comes to compare "quantity" versus "quality" of social impact. Therefore, a way of measuring potential impact more easily should be found and added. Finally, it is important to refer that to enrich this conceptual model and better support the takeaways, more tests and applications should be conducted with other type of social enterprises or scaling initiatives in order to make the model realistic, useful and adaptable.

VIII. APPENDIXES

APPENDIX A: Conceptual Model to Approach the Scaling Process of Social Enterprises



APPENDIX B: How to Scale - Matrix of Analysis to define Promising Growing Paths

Strategies / 5R's Model	Replication through Branching and/or Affiliation	Expand Organization's Deliver Capacities
Returns	[4] Potential higher creation of social impact; Alignment with the organization's vision; Increase brand recognition;	[4] Capitalize on resources and on intangible assets; Improve organization's efficiency; Increase and diversify revenues;
Risks	[3] Difficult to replicate the human factor; The need to have influence and network within the new local to attract partners; Decentralization: risks losing quality / "soul" Organization's early stage of activity	[4] Risk of industrialization and affecting product's quality; Become too focused on internal affairs; Saturation of the local takeaway market;
Receptivity	[3] A careful market research need to be conducted to assure both markets; Existence of two persons in Lisbon and Oporto interest in replicating the CcA;	[4] City Hall of Cascais interest in supporting the CcA expansion in the council; Increasing tendency of CcA sales and clients database; Co-founders influence within the council; The size of local market is not clear;
Resources	[2] Replicate the CcA "social capital": co-founders leadership, Chef and volunteers; Have influence/ network within the council; The required investment depend on the formal strategy of replication (centralized or not)	[3] Capacity building investments – financial, logistic, governance, infrastructure, processes. Existent partnerships' support Leader's control and coordination;
Readiness	[2] Lack of standardized processes and quality control standards / Unconsolidated model High level of nontransferable knowledge; Co-founders tiredness and non-involvement;	[4] Unstructured governance model; Lack of quality control standards; Support and involvement of the co-founders; Strong involvement and commitment of the staff
Overall Assessment	[14/ 25] Low	[19/25] Adequate

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APPENDIXES

A CONCEPTUAL MODEL TO APPROACH THE SCALING PROCESS OF SOCIAL ENTERPRISES – THE CASE OF COZINHA COM ALMA –

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#1214

A Project carried out on the Management course, under the supervision of:

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I. INTRODUCTION

APPENDIX 1.1: *The Ashamed Poverty – Context and Evolution*

The tough economic context of crisis that Portugal is living is “pushing down” more and more people to the boundaries of poverty (Estanque, 2012). The increasing unemployment rates¹ and the negative impact on families’ income² are affecting particularly the Middle Class, since these persons are suffering from high levels of indebtedness, in consequence of over expenditures and excess of credit use in the past (Estanque, 2012). Different institutions and social programs are receiving unexpected appeals, as a social assistant of Caritas³ reports: “*Since the last year, we are receiving support requests from professors, lawyers, engineers: the type of professionals who do not anticipate this poverty condition*”⁴. This social and economic phenomenon is called the *Ashamed Poverty*, once “*these people are asking for food and support to assure school responsibilities and health expenditures, but they especially ask to keep their identity in secret*.”⁵ In fact, there are certain families that had assumed so much their “status quo” in the society, that when confronted with economic difficulties, they become highly pressured by their poverty condition: “*the projected image of the families starts to conflict with their tight budget, that can no longer sustain their social status*”⁶. As we can see, the *Ashamed Poverty* has traits of economic and financial issues but has also a strong component of social and psychological impacts; in his book, Estanque even calls it a “social pathology”⁷.

There is no statistical information about this new poverty, but yet, there has been an increasing tendency of requests, reported by social institutions (Estanque, 2012). At this moment, there are just a few institutions focused on addressing this problem, most of them have been supporting poor people for a long time and are now trying to extend their services to this *Ashamed Poverty* (Estanque, 2012).

APPENDIX 1.2: Interview to General Director of São Bernardo

With the purpose of deepening the knowledge about the Take Away industry and deeply assess the results of CcA, it was conducted an unstructured interview with the *General Director of São Bernardo* (www.saobernardo.pt) – a reputable and successful take away Lisbon in twenty years of activity – who had analyzed and evaluated the results’ evolution of CcA and conclude that the business volume of CcA was growing faster than what it is expected in the take-away industry.

¹ The *Unemployment Rate* in Portugal in 2012 was 15,7%: 2,5% higher than in 2011

[http://www.pordata.pt/Portugal/Taxa+de+desemprego+total+e+por+sexo+\(percentagem\)-550-3168](http://www.pordata.pt/Portugal/Taxa+de+desemprego+total+e+por+sexo+(percentagem)-550-3168) (Nov 7, 2013)

² The *Average Available Income per Family* in Portugal is being decreasing since 2010. In the end of the year 2012 was 3,9% lower than in 2010. <http://www.pordata.pt/Portugal/Rendimento+medio+disponivel+das+familias-2098>

³ Caritas is worldwide catholic organization that has a strong presence in the Portugal

⁴ Testimonial of Daniela Santos, Social Assistant in Caritas Porto, cited in Estanque (2012)

⁵ Interview to Manuel de Lemos, President of União das Misericórdias Portuguesas, cited in Estanque(2012)

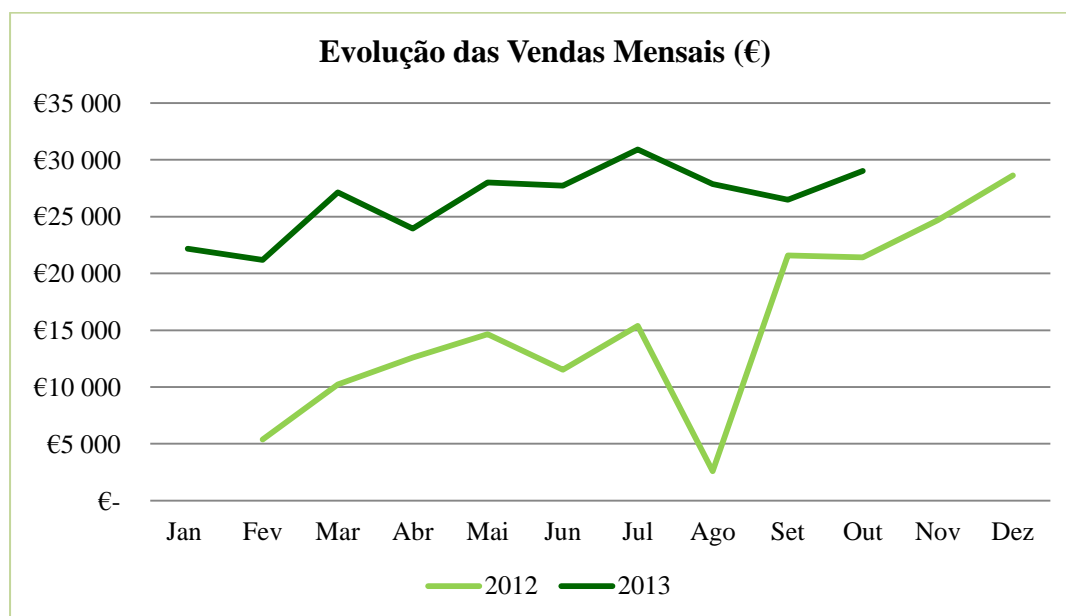
⁶ Excerpt of interview to Elisio Estanque, author of *Classe Média: Ascensão e Declínio*
<http://livrosemanias.economico.sapo.pt/22551.html> (accessed Nov 8, 2013)

⁷ Estaque (2012) *Classe Média: Ascensão e Declínio* p86

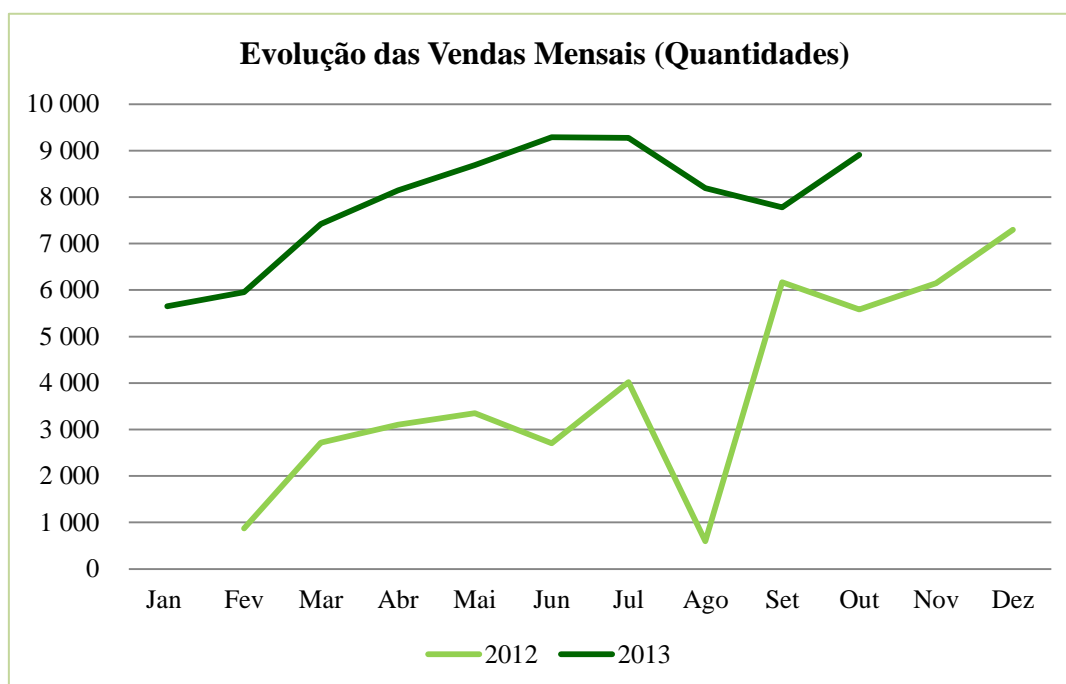
APPENDIX 1.3: CcA's Results Evolution

(source: Cozinha com Alma – Internal Monthly Reports)

1.3.1 Evolution of Revenues per Month, in Euros [2012-2013]



1.3.2 Evolution of Revenues per Month, in Quantities [2012-2013]



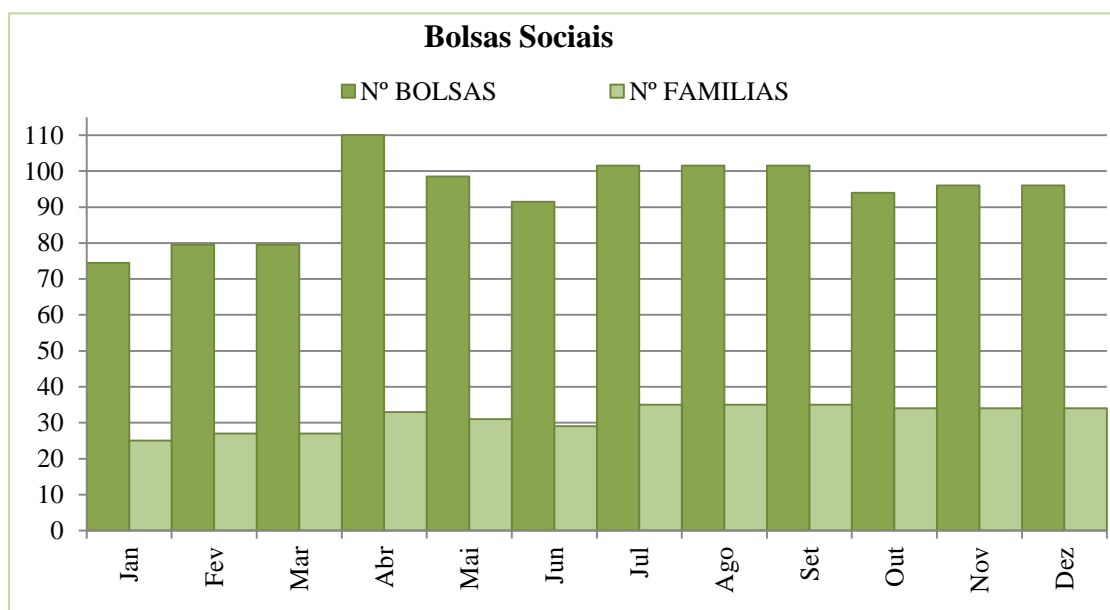
1.3.3 Revenues per Month, in Euros - Variation Rate [2012-2013]

Revenues / Month (€)	2012	2013	Variation Rate (%)
Jan	<i>n/a</i>	22 157 €	<i>n/a</i>
Feb	5 372 €	21 174 €	294%
Mar	10 229 €	27 141 €	165%
Apr	12 597 €	23 933 €	90%
May	14 648 €	27 993 €	91%
Jun	11 518 €	27 723 €	141%
Jul	15 386 €	30 905 €	101%
Aug	2 600 €	27 865 €	972%
Sep	21 582 €	26 493 €	23%
Oct	21 417 €	29 029 €	36%
Nov	24 675 €	<i>n/a</i>	<i>n/a</i>
Dec	28 611 €	<i>n/a</i>	<i>n/a</i>
Total / Annual	168 635 €	242 256 €	44%
Average Revenues / Month	15 330 €	26 917 €	76%

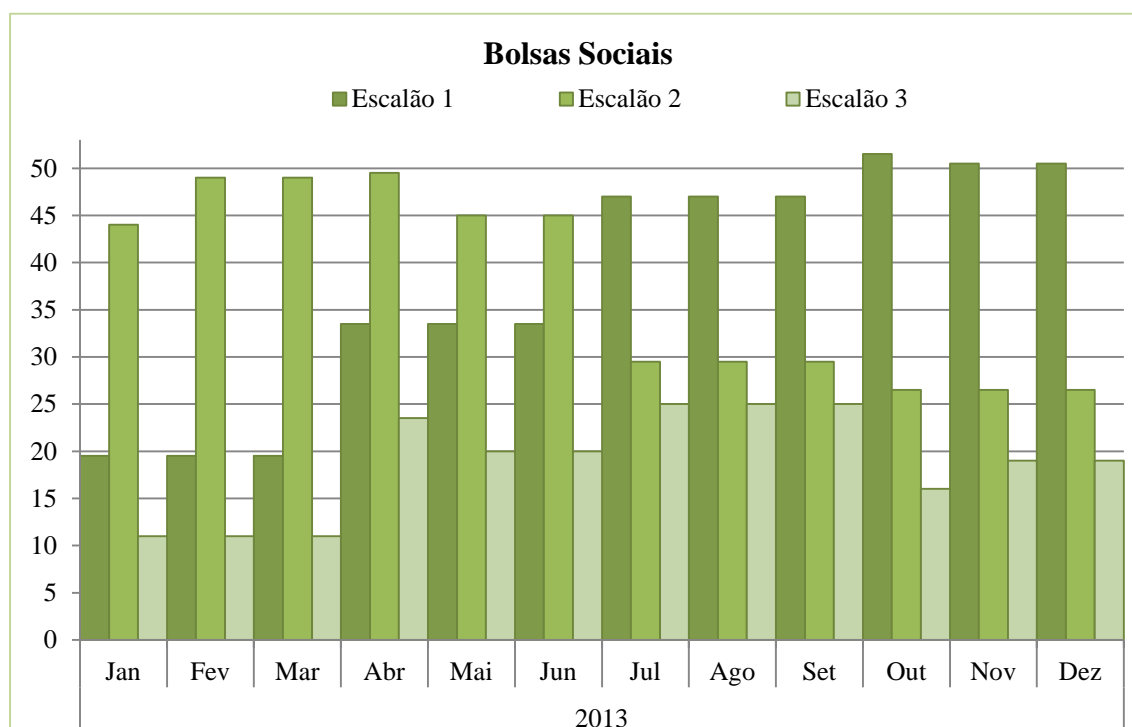
1.3.4 Revenues per Month, in Quantities -Variation Rate [2012-2013]

Revenues / Month (Qts)	2012	2013	Variation Rate (%)
Jan	<i>n/a</i>	5 650	<i>n/a</i>
Feb	872	5 956	583%
Mar	2 716	7 425	173%
Apr	3 104	8 146	162%
May	3 353	8 689	159%
Jun	2 702	9 290	244%
Jul	4 018	9 275	131%
Aug	593	8 190	1281%
Sep	6 167	7 778	26%
Oct	5 581	8 912	60%
Nov	6 147	<i>n/a</i>	<i>n/a</i>
Dec	7 296	<i>n/a</i>	<i>n/a</i>
Total / Annual	42 549	73 661	73%
Average Revenues / Month	3868	8812	128%

1.3.5 Evolution of the CcA's Beneficiaries, (per person & per family) [2013]



1.3.6 Evolution of the number of CcA's Beneficiaries, (per Echelon – 1, 2, 3) [2013]



II. LITERATURE REVIEW

APPENDIX 2.1: Four Critical Dimensions of the Convergences and Divergences between the Different Approaches to the concept of Social Enterprises⁸

According to the analysis of made in the paper, there are four dimensions/sources of convergences and divergences between the American and European schools of thoughts when approaching the concept of Social Enterprises.

1. The Creation of Social Value

It is widely accepted by all the approaches that social enterprises are defined by the existence of an explicit social mission aiming to benefit the community or the creation of ‘social value’ rather than being focused on the distribution of profits.

2. The Production of Goods and the relation with Social Mission

Some European countries defend that the provision of such goods or services needs to represent the reason (or one of the main reasons) for the existence of the social enterprise. On contrast, the American approach considers that the trading activity of Social Enterprises can also be a source of income, meaning that social enterprises can develop business activities that are only related to the social mission as financial resources.

3. Economic Risk

Social enterprises are generally viewed as organizations characterized by a significant level of economic risk. The financial viability of social enterprises depends on the efforts of their members to secure adequate resources for supporting the enterprise’s social mission. These resources can have a hybrid character: they may come from trading activities, from public subsidies or from voluntary resources. By contrast, for other schools of thought, to be a social enterprise means relying mainly on market resources. For these authors, the economic risk tends to be correlated with the amount or share of income generated through trade. Also, viewing social entrepreneurship as a mission-driven business is increasingly common among business schools and foundations that foster more broadly business methods, not just earned-income strategies, for achieving social impacts.

4. Governance Structure

In the European conception, social enterprises are characterized by a high degree of autonomy. Accordingly, they may receive public or private support but they are not managed, directly or indirectly, by public authorities or by a for-profit firm. This condition of autonomy diverges from other perspectives, according to which a short-term project with a social value undertaken by a for-profit enterprise or a public body can be considered as a social enterprise.

⁸ Defourny, Jacques and Marthe Nyssens. 2010. “Conceptions of Social Enterprise and Social Entrepreneurship in Europe and the United States: Convergences and Divergences”, *Journal of Social Entrepreneurship* 1, 32 — 53

APPENDIX 2.2: Examples of Different Scaling Models

Author	Scaling Model	Brief Description
Dees (2002)	Matrix of Strategic Options for Scaling Out	The Matrix of Strategic Options for Scaling Out provides a way of visualizing the range of options based on a simplified approach to the two central decisions facing social entrepreneurs considering scaling out: what to scale and how to scale it. What: Program, Principles or Organization How: Dissemination, Affiliation or Branching
Gillespie (2004)	Taxonomy of Scaling	Gillespie proposes four dimensions of the scaling up process: <ul style="list-style-type: none"> - Quantitative, where a program expands in size, geographical base, or budget; - Functional, involving increases in the types of activities and integration with other programs; - Political, involving increases in political power and engagement with wider political processes; - Organizational, involving increases in organizational strength
Bloom (2009)	SCALERS	The model assesses the organization according to seven drivers that are critical to stimulate successful scaling of social impact. These drivers/capabilities are identified using the acronym SCALERS, which stands for: Staffing, Communications, Alliance building, Lobbying, Earnings generation, Replication, and Stimulating Market Forces. Each SCALER is influenced by different situational contingencies that will help design CA's scaling strategy.
Weber (2012)	Scalability Framework	This framework identifies the relevant key elements to evaluate the scalability of an organization and their respective interconnection and interdependencies. The objective is to create a scaling path based in some decision points that will lead to achieve the goals of scaling social impact.
Kalafatas (n.d)	Approaches to Scaling Social Impact	Organizations face options about what to scale and how to scale their impact. The spectrum of goals and strategies for creating and scaling social impact ranges from impact through direct service to impact through indirect influence. By selecting combinations of goals and strategies from this "tool box," organizations can craft a strategy for scaling social impact.

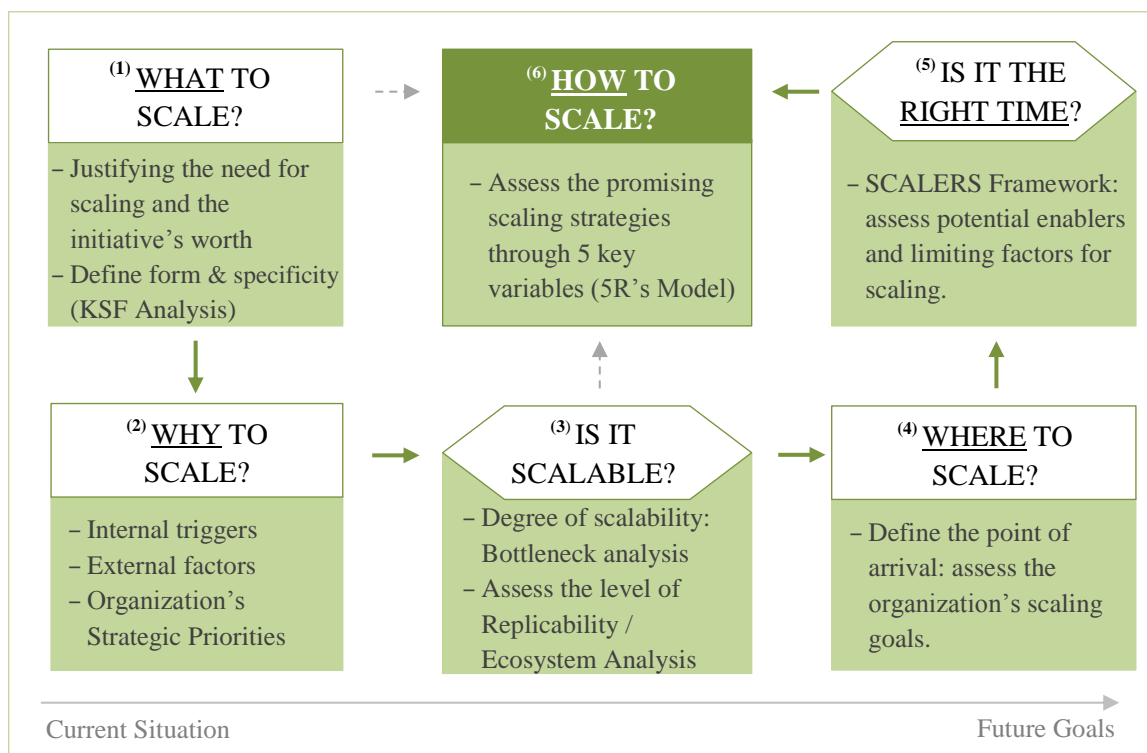
III. METHODOLOGY ANALYSIS

APPENDIX 3: Contacts with CcA and Expected Outputs for the Analysis's Process

Type of Resources	Contacts /Interactions	Expected Outputs
Strategic Inputs	<i>(1) Weekly meetings with Cristina Botton – co-founder and general manager of CcA</i>	Go throughout the different stages of the Conceptual Model; Better know her profile, leadership still and influence within the organization;
	<i>(2) Participation on the monthly meetings of the Decision Board</i>	Understand the strategic objectives of the organization and its internal and external triggers to scale.
Field Contact	<i>(3) Volunteer work two days per week at the kitchen and at the store</i>	Get in touch with the culture of the organization; Understand the internal processes and activities.
	<i>(4) Informal conversations with CcA's team members, volunteers, beneficiaries and clients</i>	Identify the key reasons for them to contribute and be part of CcA; Get internal inputs about the organization's functioning.
Data Collection	<i>(5) Elaboration of a survey to assess general clients' satisfaction and profile.</i>	Identify the general client's profile of CcA Understand the reasons why they go to CcA; Asses their level of satisfaction;
	<i>(6) Access to financial data, reports and statistical information.</i>	Assess the financial and economic performance of CcA; Evaluate the business efficacy and efficiency;

IV. A CONCEPTUAL MODEL TO APPROACH THE SCALING PROCESS

APPENDIX 4.1: Conceptual Model to Approach the Scaling Process of Social Enterprises



APPENDIX 4.2: Conceptual Model - Questions and Expected Outputs

1. WHAT TO SCALE? (Dees et al, 2002; Bradach, 2003)

A. Is there significant unmet or poorly met need elsewhere?

- › Is it the problem you're addressing specific of your region? Is it present throughout the country or around the world or other sectors?
- › Justify the need for scaling; identify the characteristics of this need (eg: significance, dispersion, profile)

B. Do you have anything worth to scale?

- › What is your Theory of Change⁹?
- › Why is it worth/"robust"? (proven concept, social impact, evidence of efficacy)

⁹ According to **Bradach (2003)** *Theory of Change* is defined as the most important elements of the programs' content and structure that lead an organization to its desired outcomes

C. Define form and specificity

Define the **form** of what to scale (a concept, program, value, organization)

Define the **specificity** of what to scale (key elements and resources)

- › Which are your KSF and competitive advantages?
- › Which are the key resources/capabilities/processes that support these advantages and enabling you to successfully pursuing your mission?

Expected output for the next stage: the organization should be able to identify a need for scaling (the reason why it can creates more value for the society) and to define why and what is worth to scale in terms of conceptual form (organization, program, idea, etc.) and specificities (core elements and resources).

2. **WHY TO SCALE?** (Dees et al. 2002)

A. Identification and prioritization of the reasons to scale.

- › Why are you planning to scale? Identify the internal triggers and exterior factors
- › Define your main drivers to scale: align and prioritize the different reasons to scale according to what better contributes to increase your social impact

Expected output for the next stage: the organization should be able to identify its internal and external drivers for scaling in order to align and prioritize its scaling goals with the ultimate purpose of increasing social impact.

3. **IS IT SCALABLE?** (Santos, 2009; Dees et al, 2002)

A. Assess the **scalability**¹⁰ of your initiative

- › Are there any bottlenecks within the organization's activity?

B. Assess the **replicability**¹¹ of your initiative

- › Does your initiative depend on a scarce/ unique resource? Or on any specific competence/contextual factors? – ECOSYSTEM FRAMEWORK (Bloom & Dees)
- › Is your initiative adaptable to other contexts or circumstances?
- › What is the degree of complexity of your initiative? Is the knowledge transferable?

¹⁰ Assess business model bottlenecks. In **Santos (2009)**: “can you grow the activity system several orders of magnitude (100 fold, 1000 fold) without facing bottlenecks in any of the activity clusters? (no breaking points in the system – bottlenecks usually happen when activities depend on scarce assets or unique skills)

¹¹ Replicability is related to the dependence on unique and contextual factors and to the degree of adaptability and Transferability, as stated in **Santos (2009)** “the business model does not depend on very specific contextual factors and it is easy to explain to potential partners, clients and replicators (this simplicity is important since it facilitates adoption by stakeholders and partners”

Expected output: The objective of this stage is to assess the degree of scalability and replicability of the chosen model to scale, by evaluating: (1) the potential bottlenecks of the model (2) the dependence on unique factors; (3) the degree of adaptability (4) the level of transferability of the model.

4. WHERE TO SCALE? (Kalafatas, n.d)

A. Assess your opportunities to scale. (use a strategic framework tool; eg: SWOT)

- › Where is your target significance or unmet/poorly met need? (location/dispersion)
- › What is your vision?
- › Which are your strategic goals? Prioritize them.

B. Where do you want to scale? Define your point of arrival

Choose one or a combination of the following options:

1. Increase the Quantity and/or Quality of Impact
2. Diversify Communities Served
3. Diversify Services Offered
4. Expand Geographically

Expected output: In this stage the organization needs to know where to scale and to define its main goals for scaling.

5. IS IT THE RIGHT TIME TO SCALE? (Dees et al, 2002; Weber et al, 2012 Bloom & Smith, 2010)

A. Assess readiness to scale. Do you have sufficient organizational support and stability to scale?

- › Which are the internal and external factors that are limiting or enabling you to scale?
(SCALERS Framework¹²)

Expected output: The organization should be able to assess the timing to scale according to its degree of stability and support. . If not ready, the organization should define what improvements need to be done.

¹² Framework developed in Bloom & Smith (2010). The acronym SCALERS for: Staffing, Communications, Alliance building, Lobbying, Earnings generation, Replication, and Stimulating Market Forces. (See Appendix)

6. HOW TO SCALE? (Kalafatas; Dees et al, 2002)

1. Assess the different scaling strategic options that you have (Kalafatas)

According to Kalafatas Framework there are three main scaling options :

- a) Replication through Organizational Branching and/or Affiliation
- b) Expand Organization's Deliver Capacities

2. Define a scaling strategy: Assess your promising paths (Dees et al. 2002)

- › Assess your promising path by assessing each strategy according to the dimensions of the *5R's Model*.
 - a. Returns
 - b. Receptivity
 - c. Risks
 - d. Resources
 - e. Readiness

Strategies / 5R's Model	Replication through Branching and/or Affiliation	Expand Organization's Deliver Capacities
Returns	X/5	X/5
Risks	X/5	X/5
Receptivity	X/5	X/5
Resources	X/5	X/5
Readiness	X/5	X/5
Overall Assessment	[X/ 25] [Low / Adequate / High]	[X/ 25] [Low / Adequate / High]

Expected output: The last phase of the model assesses different scaling paths according to five critical dimensions. The organization should be able to assess its most promising path by ranking each dimension through a numerical scale according to the potential advantages of the considered path (from 1- low to 5-high). The overall assessment results by summing all the dimension's evaluations, which consequently will allow the organization to find the most promising and adequate path: the one that has the higher level of overall assessment.

V. THE SCALING PROCESS OF COZINHA COM ALMA

APPENDIX 5.1: CcA's Business Model– CANVAS Framework (Adapted)

Key Partnerships <ul style="list-style-type: none">- Social Funders- Institutional Partners (City Hall & Parish Councils)- Social Suppliers- Social Partners	Key Activities <ul style="list-style-type: none">- Beneficiaries’- Selections- Monitoring Program- Menus Managements- Meals Execution- Labeling & Packaging- Transportation- Volunteers Management- Purchases Management- Inventory Management	Value Proposition <ul style="list-style-type: none">- Enable access to complete nutritive meals- Empower economic and emotional stability through a monitoring and training program- Robin Hood Model	Customer Relationships <ul style="list-style-type: none">- General Public (Quality, Diversity, Utility, Service, Partnering)- Beneficiaries (Stealth, Dignity, Opening, Acceptance, Support)	Customers Segments <ul style="list-style-type: none">- General Public (Take-away Fans; Proximity Users)- Beneficiaries – Ashamed Poverty- (Unstructured Families; Ashamed Families)
	Key Resources <ul style="list-style-type: none">- Chef- Volunteers- Raw Materials- Kitchen & Store Facilities- Storage Equipment- Charismatic Leadership- Traditional and social market- City Hall Partnership	Intended Social Impact <ul style="list-style-type: none">- Support Families to overcome their financial situation;- Restore person’s dignity and empower their capabilities;	Distribution Channels <ul style="list-style-type: none">- CcA Store / Takeaway- Home Delivery (outsourcing)	
Cost Structure <ul style="list-style-type: none">- Personnel- Raw Materials- Logistics- Maintenance- Volunteers (no cost)- Low fixed costs: No costs with Rent; 80% of volunteer workers;		Funding Model <ul style="list-style-type: none">- Cross Subsidization- Operational Costs Reductions (through partnerships)	Revenues Streams <ul style="list-style-type: none">- General Public Sales- Other Services (Caterings, etc.)- Events (Greenfest)- Donations	

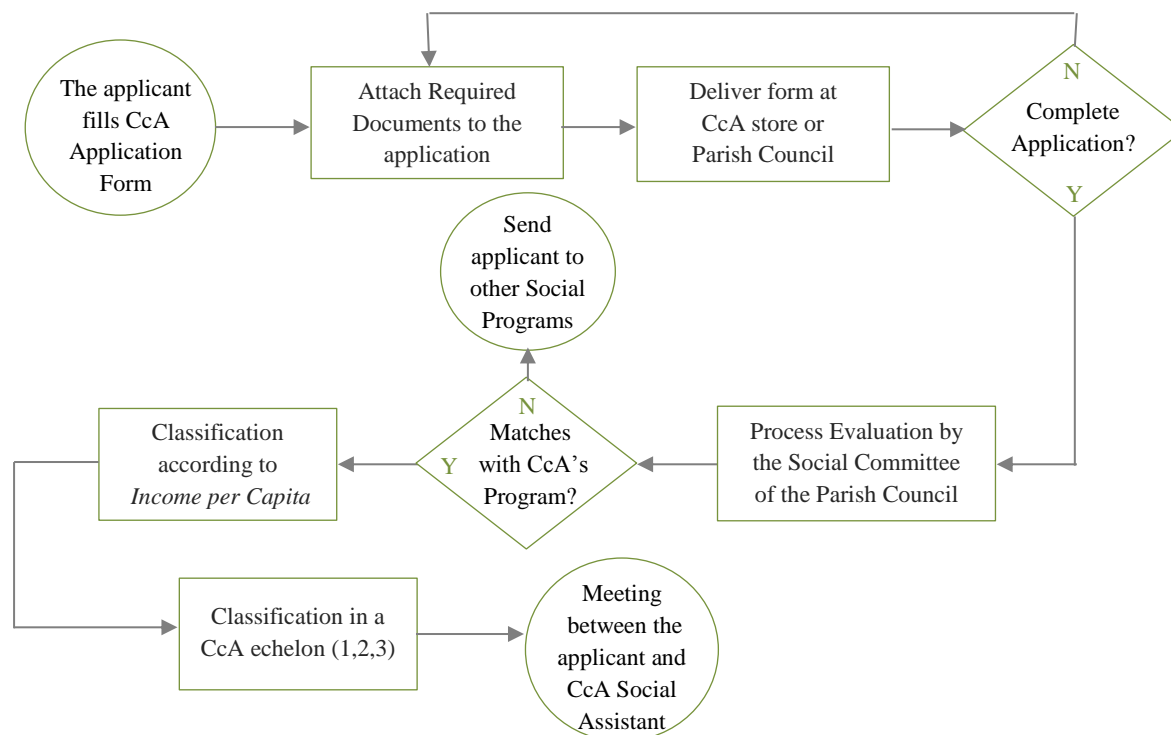
APPENDIX 5.2: The Value Proposition¹³ of CcA

Ashamed Poverty Problems/Consequences	CcA's response to these problems
<ul style="list-style-type: none"> - Due to their conditions, the families cannot have access to a balanced and healthy food - Persons highly indebted, unable to pay off their credits and highly pressured - There's a lack of support to this population's target by the Government and other social organizations - Social pressure leads to depression, suicide, dysfunctional families, etc. - Shame and loneliness: people cannot accept and assume their situation 	<ul style="list-style-type: none"> - Reliefs financial expenditures for a period of time, like an «Oxygen Balloon» - Gives the opportunity to rearrange and reorganize peoples' lives (new job, etc.) - Guarantees that people have a balanced and healthy alimentation - Helps the beneficiaries to readjust their lifestyles to a new reality (workshops, etc.) - Empowers family union (get people around the same table) - Restores people's dignity - Respects their need for privacy - Allows persons to be more focused on other responsibilities, like getting a job
Value Created for Beneficiaries	Other positive spillovers
<ul style="list-style-type: none"> - Gives access to a balanced, healthy and dignified alimentation - Allows the beneficiaries to increase their savings - Respects their social fears of unveiling their identity - Helps families to reorganize their life - Helps families to learn to adjust their standards of living - Restores their social and personal dignity - Potentiates family union and mutual help - Contributes to a better school/work performance - Mental and emotional balance, due to stress reduction - Facilitates Social Inclusion as they have more time to spend in other activities 	<ul style="list-style-type: none"> - Makes people more aware of the need for their own social responsibility - Promotes sharing and mutual help - Decreases the economic gap between social classes - Promotes a more responsible community - Stimulates the economy as a social business - Gives an opportunity to the volunteers to feel «useful» to the society - Creates job opportunities - Offers a new business model that can work in other organization/areas - The general public can benefit from high-quality meals - Promotes the name and social work of the Municipality of Cascais

¹³ Based on the Framework developed in Santos (2009)

APPENDIX 5.3: The Selection Process of CcA Beneficiary Families

5.3.1 The CcA's Selection Process – Flow Chart



5.3.2 Application Form for CcA Program

(source: http://www.cozinhacomalma.com/media/13989/como_beneficiar_ficha-final.pdf)

BOLSA SOCIAL

FICHA DE INSCRIÇÃO

ANTES DE PREENCHER POR FAVOR LEIA ESTAS INDICAÇÕES

A Cozinha com Alma dá prioridade à inserção de famílias que cumpram os seguintes critérios:

- Com menores a cargo.
- Em idade activa.
- Que residam ou trabalhem na freguesia de Cascais, Alcabideche e Estoril (critério da proximidade).
- Com motivação e perfil para aderir e garantir a participação no Projeto.
- Que não estejam em situação de apoio social (Banco Alimentar, Bolsa Alimentar, etc...)

A Ficha de Inscrição deve ser totalmente preenchida e acompanhada dos seguintes documentos:

- Comprovativo de rendimentos (IRS);
- Comprovativo de Abono de Família;
- Cartões de identificação – Bilhete de Identidade, Número de Contribuinte ou Cartão de Cidadão de todos os elementos do agregado;
- Comprovativo da morada ou declaração da entidade patronal;
- Recibos de Vencimento (se um ou mais membros do agregado familiar se encontrar em situação de desemprego, deve apresentar a declaração da segurança social ou Centro de Emprego, atestando a situação);
- Comprovativo do valor da Renda/Prestação de Habitação;
- Comprovativo das despesas de Saúde (doenças crónicas);
- Mensalidade do (s) estabelecimento de ensino.

A Ficha pode ser entregue na Loja da Cozinha com Alma mas apenas será aceite se acompanhada de todos os documentos descritos acima.

A análise da candidatura será feita por um técnico da Junta de Freguesia da área de residência que posteriormente contactará o candidato.

A Cozinha com Alma e as Juntas de Freguesia de cada área de residência, não garantem resposta às inscrições que não cumpram os critérios acima mencionados.

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BOLSA SOCIAL

FICHA DE INSCRIÇÃO

Identificação

Nome do(a) Candidato(a)

Ano de Nascimento Sexo

Situação face ao emprego

Local de Residência Freguesia

Local de Trabalho Freguesia

Rendimento total mensal

Composição do Agregado Familiar

Nº ordem	Sexo	Relação de Parentesco	Data Nascimento	Situação Profissional
1				
2				
3				
4				
5				
6				
7				

Contactos

E-mail

Telefone fixo Telemóvel

Declaro que autorizo que os meus dados sejam analisados por Técnico da Junta de Freguesia da minha área de residência.

Data / / Assinatura

Pela CcA	Pela Junta de Freguesia de <input type="text"/>
Data	Data
Rubrica	Rubrica

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APPENDIX 5.4: Match between family's *Income per Capita* and CcA's Echelon

(source: Cozinha com Alma)

Escalão CcA	Rendimento per Capita*
1	De 50€ a 110€
2	De 111€ a 210€
3	De 211€ a 420€

**Para o cálculo do Rendimento Per Capita (RPC) considera-se o rendimento mensal ilíquido do agregado (R), menos as despesas fixas mensais com renda ou prestação da casa ou IMI (até 500€), mensalidade do(s) estabelecimento de ensino (até 75€ por filho) e as despesas com medicamentos em doença crónica (D), a dividir pelo número de elementos do agregado familiar (N). $RPC=(R-D)/N$.*

APPENDIX 5.5: CcA's Marketing Elements

5.5.1 CcA Store



5.5.1 CcA Packaging & Clients Card



APPENDIX 5.6: CcA's Viability Study

(source: Institutional Presentation of Cozinha com Alma)

Estudo de Viabilidade

Break-even com base nos pressupostos seguintes:

- Refeição Bolsa Social: **1€** (valor médio)
- Refeição público geral: **6€** (valor médio)
- Custos fixos mensais no valor de **8.200€**
- Donativos anuais de **10.000€** em bens, serviços ou dinheiro


Conclusão:

O objectivo da Cozinha com Alma é disponibilizar **100 refeições diárias** para as bolsas sociais sendo para isso necessário vender **125 refeições diariamente** ao público geral.

Após atingir o break-even:

Cada **10 refeições** vendidas ao público em geral permitem disponibilizar **27 refeições** para a Bolsa Social por dia.

Donativos de **1.500€** por mês disponibilizam mais **44 refeições** por dia para a Bolsa Social.



APPENDIX 5.7: CcA's Customers Profiles

(source: Cozinha com Alma)

Program Beneficiaries Segments	General Public Segments
1. Unstructured Families. Middle/Low Class single parent families, Unemployed, recipients of the unemployment subsidy or minimal wage, without other types of revenues.	1. Take-away Fans. Local Community - Cascais, High/Middle Class, Have the financial capacity to pay 100% of the meals' price, high value quality meals at an accessible price, look for diversified and homemade meals. Don't have time or don't like to cook. Live alone or don't have a housemaid.
2. Ashamed Families. Middle Class families not used to be in economic difficulties. In which the husband's salary represents a big part of the family revenues, who used to have good, stable jobs and are suddenly surprised by unemployment, receiving a special subsidy of 1.100€, high-education, ashamed of their situation. Difficult to integrate in the job market due to their age.	2. Proximity Users. Old people that, due to their proximity, are regular clients and buy a meal each day

APPENDIX 5.8: Example of a CcA's Weekly Menu

(source: Facebook Page of Cozinha com Alma)

SEMANA DE 25 A 30 DE NOVEMBRO				
	PREÇO/DOSE PEQUENA (IVA incl.)			
	Público	Escalação 1	Escalação 2	Escalação 3
23 FEIRA				
Sopa light	1,00 €	0,10 €	0,20 €	0,30 €
Meia desfiada	3,00 €	0,30 €	0,60 €	0,90 €
Lombo de porco assado	4,50 €	0,45 €	0,90 €	1,35 €
Lombinhos de pescada com camarão	6,00 €	0,60 €	1,20 €	1,80 €
Arroz branco	0,60 €	0,06 €	0,12 €	0,18 €
Brocolos saltados com alho	1,20 €	0,12 €	0,24 €	0,36 €
Mousse de chocolate	2,00 €	0,20 €	0,24 €	0,60 €
30 FEIRA				
Sopa de feijão manteiga com couve lombarda	1,00 €	0,10 €	0,20 €	0,30 €
Ervilhas com ovos escalfados	3,00 €	0,30 €	0,60 €	0,90 €
Canelones com ricotta e espinafres	4,00 €	0,40 €	0,80 €	1,20 €
Lulas com molho de tomate	7,00 €	0,70 €	1,40 €	2,10 €
Arroz branco	0,60 €	0,06 €	0,12 €	0,18 €
Arroz doce	1,70 €	0,17 €	0,34 €	0,51 €
4º FEIRA				
Creme de cenoura	1,00 €	0,10 €	0,20 €	0,30 €
Empadão de carne com arroz	3,00 €	0,30 €	0,60 €	0,90 €
Crepes de queijo e flambré	4,00 €	0,40 €	0,80 €	1,20 €
Strudel de legumes com queijo cabra	4,00 €	0,40 €	0,80 €	1,20 €
Cenouras assadas com tomilho	0,80 €	0,08 €	0,16 €	0,24 €
Crumble com frutos vermelhos	3,00 €	0,30 €	0,60 €	0,90 €
5ª FEIRA				
Caldo verde	1,00 €	0,10 €	0,20 €	0,30 €
Lasanha de carne	3,00 €	0,30 €	0,60 €	0,90 €
Robalinhos a portuguesa	6,50 €	0,65 €	1,30 €	1,95 €
Caril de frango	4,50 €	0,45 €	0,90 €	1,35 €
Arroz branco	0,60 €	0,06 €	0,12 €	0,18 €
Cheesecake com tangerina	3,50 €	0,35 €	0,70 €	1,05 €
Bolo de castanhas	1,80 €	0,18 €	0,36 €	0,54 €
6ª FEIRA				
Creme de ervilhas com hortelã	1,00 €	0,10 €	0,20 €	0,30 €
Feijoada de chocos	3,00 €	0,30 €	0,60 €	0,90 €
Hamburgueses da Chef Filipa Vacondes	5,00 €	0,50 €	1,00 €	1,50 €
Folhado de frango grelhado com legumes e queijo emmental	4,50 €	0,45 €	0,90 €	1,35 €
Esparguado	1,50 €	0,15 €	0,30 €	0,45 €
Ovos verdes a la française	4,50 €	0,45 €	0,90 €	1,35 €
Batatas à padeiro	0,70 €	0,07 €	0,14 €	0,21 €
Tarte de chocolates	3,50 €	0,35 €	0,70 €	1,05 €
SÁBADO				
Creme de agulão	1,00 €	0,10 €	0,20 €	0,30 €
Tomate recheado com carne picada	3,00 €	0,30 €	0,60 €	0,90 €
Quiche de alho francês e bacon	7,00 €	0,70 €	1,40 €	2,10 €
Frango assado com alho e limão	3,00 €	0,30 €	0,60 €	0,90 €
Mousse de avellã	2,00 €	0,20 €	0,40 €	0,60 €

APPENDIX 5.9: CcA's Cost Structure

(source: Cozinha com Alma)

COSTS		REVENUES	
Raw Materials	57%	General Public Revenues	80%
External Services and Supply	7,9%	Program Beneficiaries Revenues	10%
Energy & Water	1,9%	Donations	10%
Events' Logistics	1,5%		
Communications	0,4%		
Gas	0,1%		
Insurances	0,5%		
Maintenance	1,3%		
Equipment's Hygiene	0,5%		
Cleaning Material	1,4%		
Office Material	0,3%		
Personnel	33%		
Tax	0,1%		
Amortizations	2%		

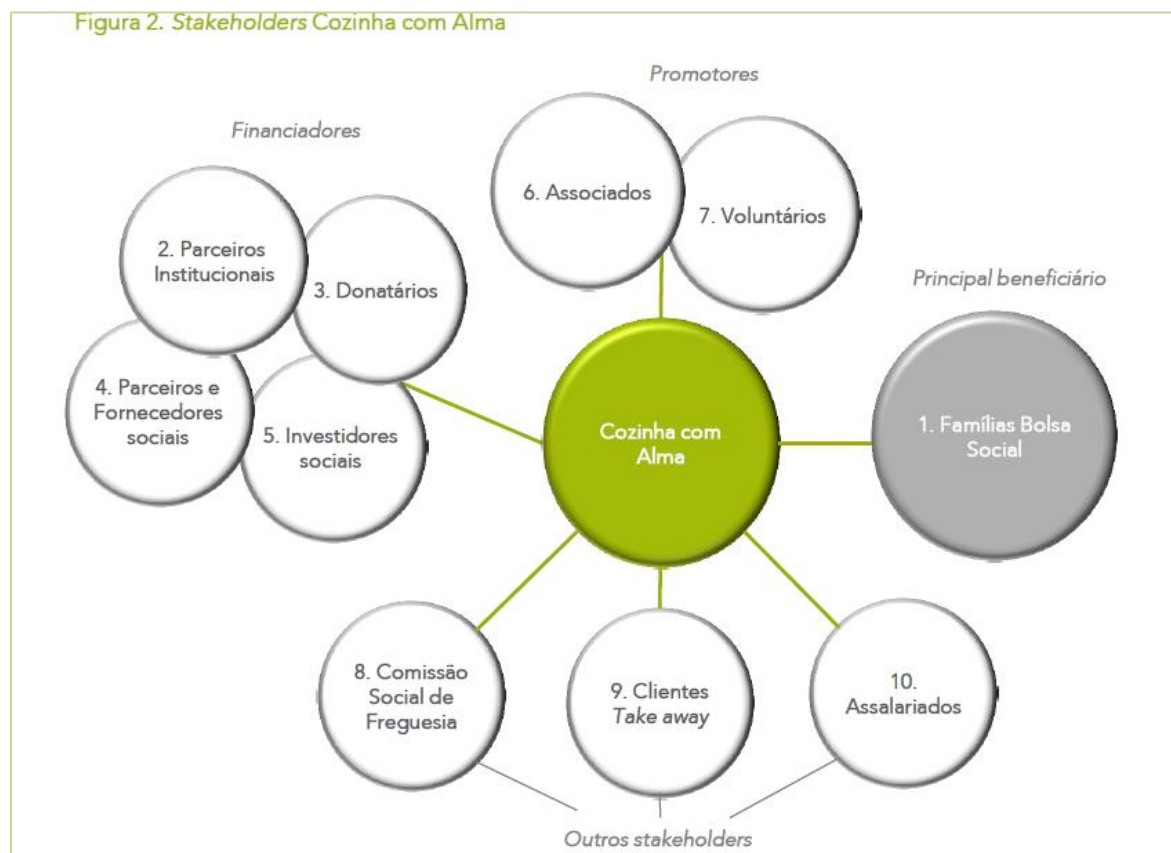
APPENDIX 5.10: CcA's Network of Partners

(source: Cozinha com Alma)

Type of Partnership	Partnership Benefits	Impact on CcA activity	Partners (examples)
Social Funders	Supported the initial investment and are important for ongoing investments. Allow CA to keep up with the market of technology and equipment in order to assure service excellence and the optimization of resources' management and production.	Cost Reduction, Professionalism	EDP and BPI
Institutional Partnerships	Critical to provide venues for the Store and the Kitchen and to select beneficiary families	Cost Reduction, Professionalism, Social Impact	City Hall of Cascais; Parish Councils of Cascais, Estoril and Alcabideche;
Social Partnerships	These partners offer their pro-bono contributions in important services like consulting, communication, accounting, etc. They contribute to professionalize CA service.	Professionalism, Social Impact, Cost Reduction	Everis Consulting; Fullsix; Allianz; AGIR; ASFAC
Social Suppliers	These partners offer their contributions in services or goods in a punctual or regular basis.	Cost Reduction	Aviludo; GelPeixe; Herdade de São Miguel; Chefs com Alma
Donors	After achieving the break-even point, 1.500€ of monthly donations allow CA to provide 54 daily meals to the program beneficiaries.	Cost Reduction	Enterprises and individuals.
Volunteers	Give their time and put work skills at CcA service. Help to execute the meals at the Kitchen, to serve it on the Store or by providing administrative support.	Cost Reduction, Professionalism	Network of 60 persons (almost from the council of Cascais)
Clients	Buy their meals at CcA store, contributing to subsidize price reduced meals to CcA's beneficiaries	Social Impact, Funding.	Middle/High Class Families from the Council of Cascais; People that live close to CcA.

APPENDIX 5.11: CcA's Stakeholders

(source: Everis Consulting Social Impact Study)



APPENDIX 5.12: Mapping CcA Ecosystem – Ecosystem Framework¹⁴

ENVIRONMENTAL CONDITIONS

Political and Administrative Structures: The City Hall prompts social entrepreneurship incentives and is developing an “entrepreneurial ecosystem” through the DNA Cascais institution.

Economics and Markets: Economic asymmetries: people with high purchasing power and low/medium class; Existence of a mature takeaway market;

Geography and Infrastructures: Great population dispersion within the council; lack of an efficient public transports network; Store and kitchen facilities were ceded by the City hall

Culture and Social Fabric: Strong presence of middle/high class; Pressure by Social Status is very present and the Ashamed Poverty; the typical social phenomenon: “tias de Cascais” which play an important role as clients and volunteers of CcA

Resource Providers:

Financials: Donors; City Hall; Clients; Social Suppliers

Human: volunteers; skilled staff; board adviser's

Knowledge: Chef; Social Partners (consulting, communication, etc.); Specialized Institutions (training program)

Networking: Co-founders; City Hall

Others: Facilities (City Hall); Raw Materials (Social Suppliers)

Competitors

Local take-aways / Caterings
Other Food-Providers' Institutions
Other local social institutions

Bystanders

Media
Potential Funders
Enterprises' Clients

Cozinha com Alma

Takeaway service
Beneficiaries' Monitoring and Training Program

Beneficiaries/ Customers

1- General Public Clients
2- Beneficiaries Clients (Interact in the same place; treated equally)

Complementary Orgs / Allies

Parish Councils (selection process)
Social Institutions (training program)
Local churches and schools
City Hall and DNA Cascais

Problem Makers

HACCP Regulation
Local takeaways

PLAYERS

IMPACT/ THEORY OF CHANGE

To help people overcoming their temporary financial situation by providing access to healthy meals and by empowering their personal capacities through counseling, monitoring and training.

¹⁴ Bloom, Paul N. and Gregory Dees. 2008. “Cultivate your Ecosystem”, Stanford Social Innovation Review, n.d

APPENDIX 5.13: CcA's Income Statement 2013

(source: Cozinha com Alma internal reports)

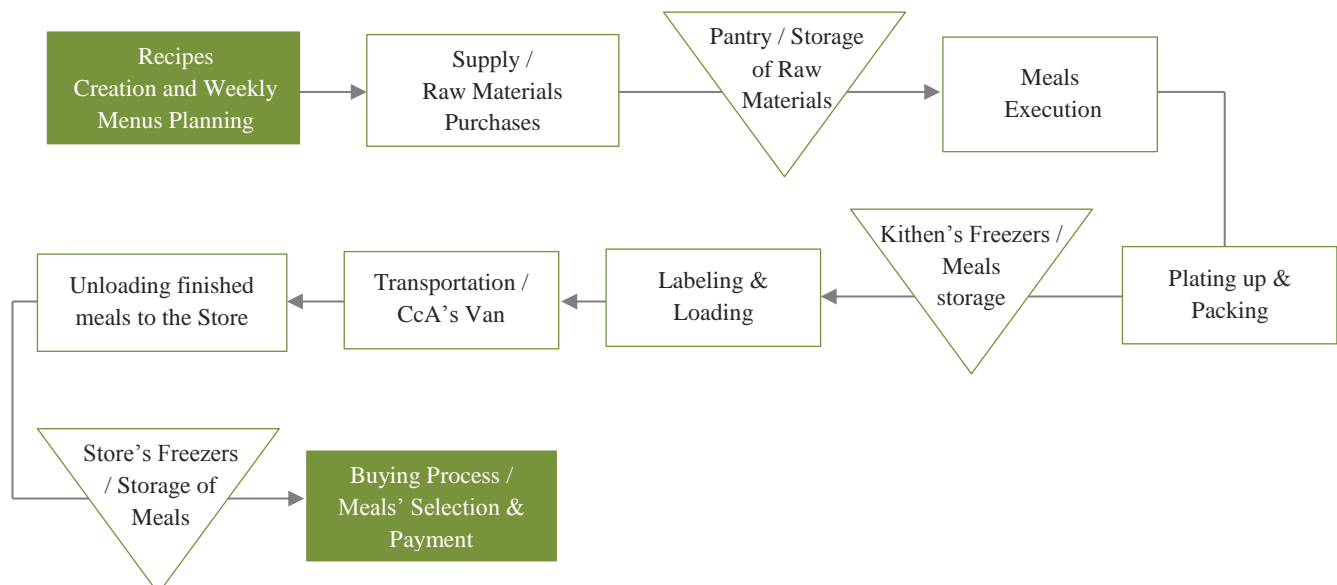
Receitas	
Refeições	280 267
Donativos	30 000
Total de Proveitos	310 267
Custos	
CMVMC	174 371
Fornecimentos e Serviços Externos	25 355
Trabalhos Especializados	4 649
Energia e Água	6 168
Combustíveis	337
Comunicações	1 511
Seguros	1 507
Materiais de Desgaste Rápido	4 200
Material de Limpeza	5 850
Mat. Escritório	836
Outros FSE	297
Custos com Pessoal	99 838
Impostos	53
Amortizações	7 480
Resultado Operacional	3 170
Imposto S/ Rendimento	0
Resultado Liquido	3 020
Unid.: EUR	

APPENDIX 5.14: Assessment of CcA's Scalability and Replicability

	+	-
Degree of scalability: Bottleneck analysis	<ul style="list-style-type: none"> – Stable and systematic process of activities; – Financial viability and accountability – The engagement and commitment of the workers; – Proven concept and social impact; – Structural dependence on a strong network of volunteers; – Co-founders desire to enlarge the existent structure locally; – Local market demand to fulfill: increasing sales; – Viable Cost Structure: with low fixed costs; – Ability to achieve economies of scale and capitalize on existent assets and resources 	<ul style="list-style-type: none"> – Current physical limitations: constraining production capacity; storage bottleneck is also blocking organization's activity; – Lack of Quality Control Standards; – Charity is still the main driver to buy at CcA – Lack of organizational stability (eg: unclear governance model) – Unstructured Governance Model

<p>Level of Replicability: Contextual Factors, Adaptability & Transferability</p>	<ul style="list-style-type: none"> - Take-away is a generally accepted business concept; - Proven concept and social impact; - Financial viability and accountability; - It is a local business, doesn't depend on an extremely high dimension of demand - Stable and systematic process of activities; - The beneficiary target can be adaptable to other realities - Existence of a "Communication kit": brand identity and marketing elements defined 	<ul style="list-style-type: none"> - The dependence of the model on its ecosystem; - The partners personal connection and with CcA's co-founders; - The profile characteristics of volunteers and clients (intimately connected with Cascais lifestyle and culture); - Some processes are difficult to standardize business (eg: meals execution); - A partnership with the City Hall is critical to access key resources (facilities' rent, selection process); - The high pool of volunteers; - Having both social and general demand. - Replicating the "soul" of the project that is intimately connected to the founders' passion and charisma – intangible resources; - Low degree of transferability: the model needs to be consolidated; Lack of processes standardization; Unstructured Governance Model - Lack of quality control standards;
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APPENDIX 5.15: CcA's Process Mapping



APPENDIX 5.16: Survey to the CcA's General Clients – Questions

QUESTIONÁRIO

Este questionário destina-se à recolha de dados para uma tese de Mestrado da Universidade Nova de Lisboa na área de Empreendedorismo Social. Todos os dados recolhidos serão utilizados exclusivamente para este estudo universitário e serão mantidos confidenciais.

Cozinha com alma

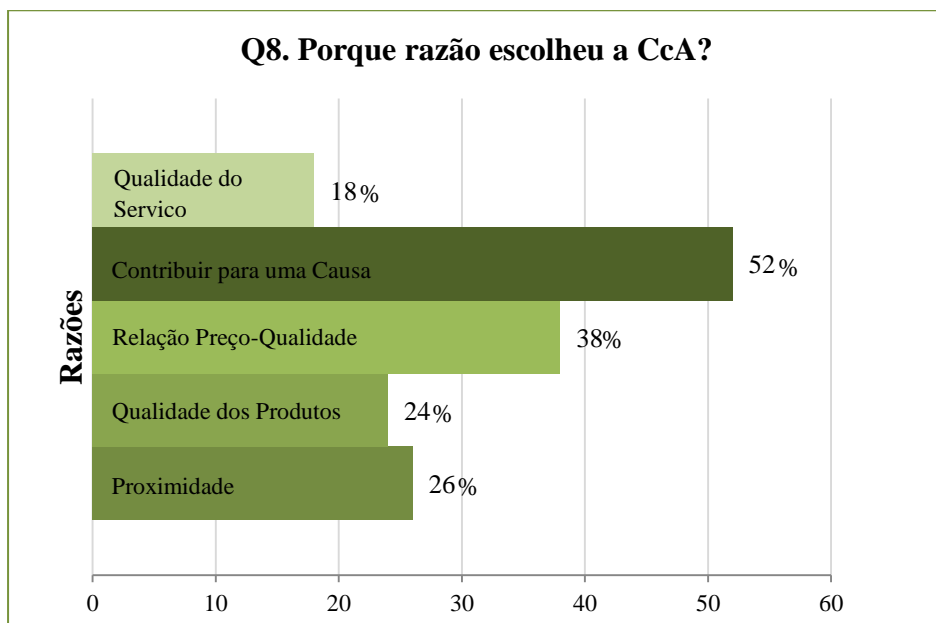
NOVA
Escola de Negócios & Economia

Shopping
socialmente responsável

- Sexo: ☐ F ☐ M
- Qual a sua **Freguesia de Residência**? _____
- É a **primeira vez** que visita a Cozinha com Alma? ☐ SIM ☐ NÃO
a. Se NÃO, com que **regularidade** visita a loja? _____ x por _____
- De que forma teve **conhecimento** da existência da Cozinha com Alma?
☐ Facebook ☐ Junta de Freguesia ☐ Amigos/Família Outro: _____
- Que **tipo de produtos** consome com mais frequência?
☐ CONGELADOS ☐ FRESCOS OUTROS: _____
- Classifique a **qualidade das refeições** Cozinha com Alma (sendo 1 muito mau e 7 muito bom)
CONGELADOS: 1 – 2 – 3 – 4 – 5 – 6 – 7 FRESCOS: 1 – 2 – 3 – 4 – 5 – 6 – 7
- Classifique a **qualidade do serviço** Cozinha com Alma (sendo 1 muito mau e 7 muito bom)
1 – 2 – 3 – 4 – 5 – 6 – 7
- Por que **razão/razões** escolheu a CcA? (selecione no máximo 2 opções)
☐ Proximidade (do trabalho/casa)
☐ Qualidade e diversidade dos produtos
☐ Relação preço-qualidade
☐ Contribuir para uma causa
☐ Qualidade do serviço
- Qual/Quais o seu prato/pratos preferido/os? _____
- Quais os pratos que gostaria que existissem na Cozinha com Alma? _____
- Outras Sugestões/Opiniões: _____

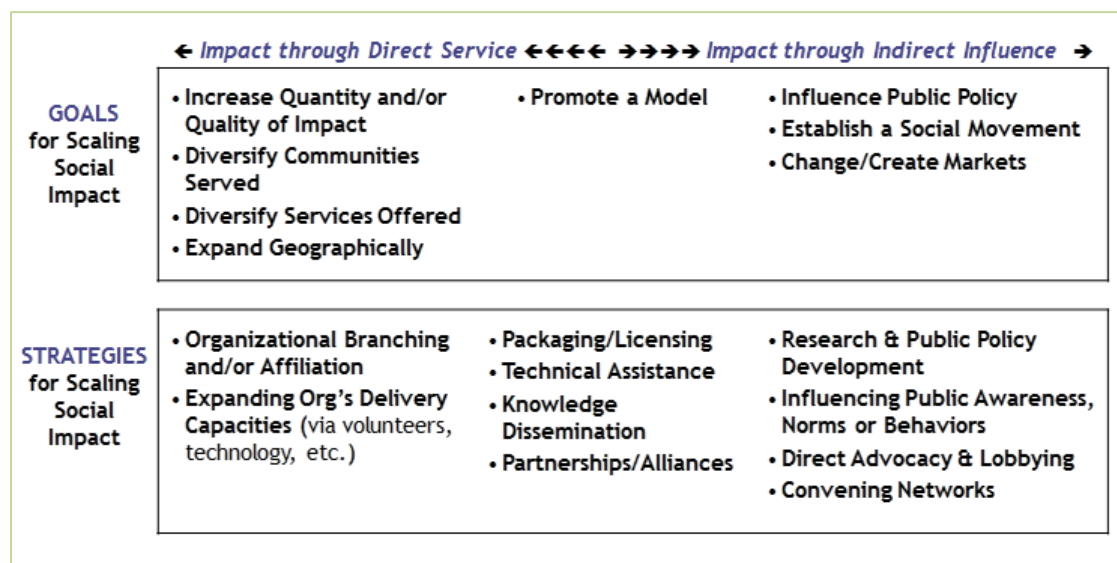
Se **desejar** receber informações relativas à Cozinha com Alma (menu semanal, novidades, eventos), indique-nos o seu e-mail: _____

APPENDIX 5.17: Survey Results – “Reasons to buy at CcA”



APPENDIX 5.18: Kalafatas Framework: Approach to Scaling Social Impact

(source http://www.socialimpactexchange.org/files/publications/approaches_toscaling_social_impact.pdf)



APPENDIX 5.19: SWOT Analysis of CcA

<p>[S]</p> <ul style="list-style-type: none"> – Innovative Project, with a clear mission – Financial Viability: Cross-Subsidization Model – Price-to-Quality Relationship – Quality of Products and Service – Proved Social Impact (SROI) – Strong Partners' Network – Influence of the co-founders within the council – Brand identity – Organization's "soul" – Leaders Commitment and Charisma – Volunteers' Commitment and Reliability – Low fixed costs – Loyal and strong clients database – Credibility when approaching potential partners 	<p>[W]</p> <ul style="list-style-type: none"> – Lack of physical space and insufficient storage area (leads to inefficiency) – Limited production capacity – Distance between kitchen and the store/office difficult coordination and communication within the working team – Unclear Governance Model: no second line managers; functions overlapping; high dependence of the General Manager – Volunteers' dependence – Lack of Quality Standards and Control – Processes and activities not clearly defined: lack of a "Manual of Procedures"
<p>[O]</p> <ul style="list-style-type: none"> – Increasing tendency of sales – Geographical expansion: people interest in opening CcA in other councils – Increasing requests for help and support – Other distribution channels – Explore and invest in other services (catering) – The increasing consumption of take-away services – Ashamed Poverty is a National Problem – Possibility to explore other beneficiary targets – Diversifying CcA distribution channels (supermarkets, home delivery, etc) 	<p>[T]</p> <ul style="list-style-type: none"> – Risk of losing partnerships – Local Competition; saturation of the local takeaway market – Loosing quality and the "soul" due to processes' industrialization Changes on the actual crises conjecture – The specificities of the Cascais Ecosystem – Having demand of both social and general public – Assuring the pool of volunteers

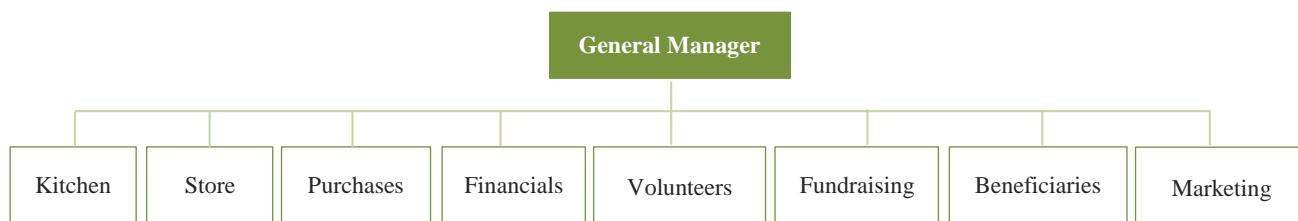
APPENDIX 5.20: SCALERS Framework - Application to CcA

Situational Contingencies	<i>Cozinha com Alma</i>	<i>Scaling Challenges</i>
Staffing <i>Labor Needs</i>	High	<ul style="list-style-type: none"> - CcA governance model is not clear; there a lack of second line managers and overlapping of workers functions; - There's a risk of having non-transferable knowledge (about the business, processes, etc.): people know things per intuition and field experience that are difficult to «write down in a paper». - Some rules and procedures are not clearly defined, which leads to biased decisions and higher dependence on the «human factor» - On the long-run there's a risk of professional (paid) staff become less motivated, due to lack of challenging tasks, professional training and career's evolution. - CcA's volunteers have "too similar" profiles – family mothers, with ages between 40 and 60 that don't need to have a full time work and so have high schedule availability – which could not exist in other councils - Manage and coordinate a 60 person network divided by 3 shifts-a-day is very demanding and time consuming: might become unviable if the network of volunteers grows too much. - The co-founders have a very strong and influential network in Cascais which influences a lot stakeholders' motivations (volunteers, partners and clients)
Communication <i>Public Support</i>	High	<ul style="list-style-type: none"> - The effectiveness through which CcA is being able to persuade its stakeholders is a stimulator for a successful scaling. The organization is conquering the attention and confidence of its main stakeholders and it is crucial to scale faster and have greater impact.
Alliance-Building <i>Potential Allies</i>	Several	<ul style="list-style-type: none"> - Although this alliance-building-effect is being very important for CcA success, the fact that sometimes the reasons and motivations for partners to support CcA initiative being implicit related with founder's personal influence can be a problem when it comes to replicate the business. - The scaling strategy design will depend on to what extend CcA will be able to make similar partnership agreements out of Cascais' ecosystem and the founders' network because that will be critical to assure resources viability.
Lobbying <i>Supportive Public Policy</i>	Adequate	<ul style="list-style-type: none"> - If CcA decides to expand to other councils it is critical to have a close relationship with the local Municipality.

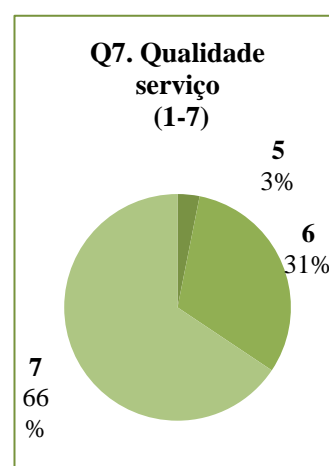
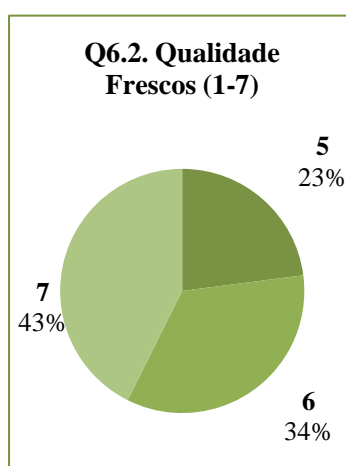
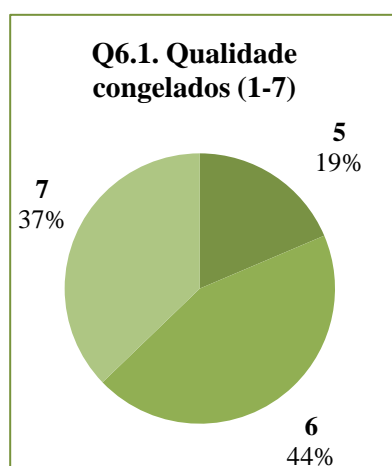
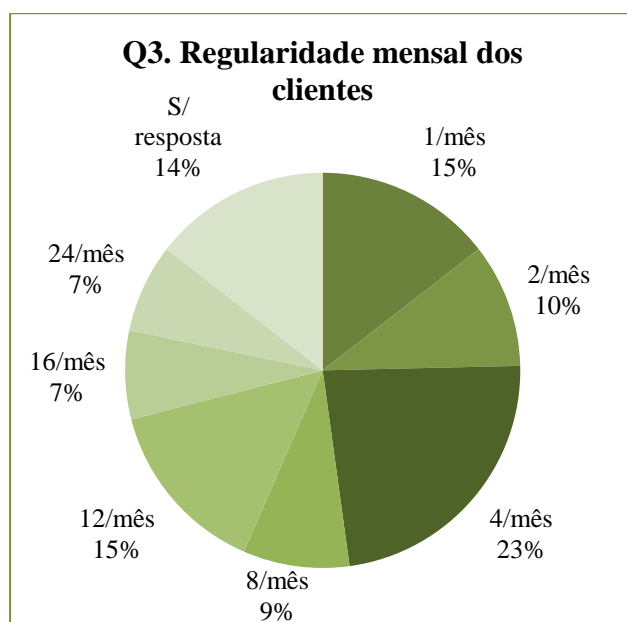
Earnings Generation <i>Start-Up Capital</i>	Adequate	<ul style="list-style-type: none"> - Having a viable financial model increases legitimacy and persuasiveness when it comes to implement a scaling initiative in other locals - If CcA is able to scale its production capacity, there will be new revenue opportunities (like creating a catering service, companies' events, etc.) - Although CcA has a viable funding model that doesn't have a high of dependence on partnerships, there are some agreements that are crucial to assure its viability, especially with the local municipality in order to facilitate the access to the store/kitchen facilities and rent. - Through scaling, CcA can optimize its resources and achieve economies of scale and consequently increase profit margins. - Although CcA has operational financial sustainability, it will need donors and funders to support its scaling investments
Replication <i>Dispersion of Beneficiaries</i>	High	<ul style="list-style-type: none"> - There's still a lack of systematic and standardized procedures on CcA's management that can constrain the scaling process - The human factor will be a critical asset to replicate in CcA's scaling process - The documented and available data about CcA's viability study, historical results, budget previsions and other financial indicators will facilitate the scaling process. - The profile of the target beneficiaries and their geographical characteristics will be critical to find the right scaling location
Stimulating Market Forces <i>Availability of Economic Incentives</i>	High	<ul style="list-style-type: none"> - Helping a social cause that is viable and in exchange benefit from good and valuable take-away products is a strong motivation trigger - Having a good take-away at an accessible price is very attractive for some target segments - CcA faces direct competition of other private take-away business
Most Influential Drivers		<ul style="list-style-type: none"> - Staffing - Alliance-Building - Earnings Generation

APPENDIX 5.21: CcA Governance Model

(source: Cozinha com Alma)



APPENDIX 5.22: Survey Results – “Clients’ Monthly Frequency and Level of Satisfaction”



APPENDIX 5.23: Proposal of a new Governance Model for CcA

